

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-171)

DATE: 9/28/73

FROM : SAC, MINNEAPOLIS (92-1911) (RUC)

SUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN
AR
OO: MILWAUKEE

Re Milwaukee letter to Minneapolis 8/15/73.

A review of the current Minneapolis telephone directory shows Minneapolis telephone 339-1431 listed to the United Way of the Minneapolis area, 404 South Eighth Street, Minneapolis, Minnesota.

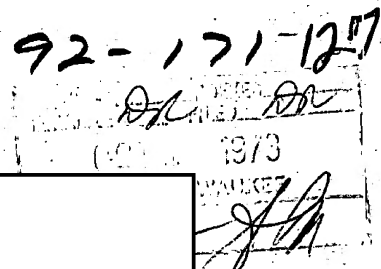
A call to this number disclosed that it is answered "Community Information and Referral Service."

Pretext inquiry of this organization disclosed that the Community Information and Referral Service is a part of the United Fund organization and it handles referrals for welfare, housing, and juvenile and adult problems.

2 - Milwaukee
1 - Minneapolis
DWP:jrp
(3)



5010-108-02



b6
b7c

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

Memorandum

TO : SAC , MILWAUKEE [REDACTED]

DATE: 9-26-73

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

b6
b7C
b7D

Dates of Contact

9-11-73

File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)

92-171

c/a [REDACTED]

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

b6
b7C

Source advised that there has been no unusual activities at Local 200, except that [REDACTED] was strengthening his position and had recently been in charge of some of the Local meetings.

☐ POSITIVE ASSIGNMENT GIVEN (Ghetto only)

b7D

Has informant shown any indication of emotional instability, unreliability or furnishing false information?

no

☒ Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.

Coverage

same

128

PERSONAL DATA

1- [REDACTED]
1- 92-171
ALN:mfs
(2)

92-171-128

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1973	
FBI-MILWAUKEE	

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 10/16/73	INVESTIGATIVE PERIOD 6/28/73 - 10/11/73
TITLE OF CASE CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 200 MILWAUKEE, WISCONSIN		REPORT MADE BY SA [REDACTED]	TYPED BY bc
		CHARACTER OF CASE AR	b6 b7C

REFERENCES

Re Milwaukee report of SA [REDACTED] dated 7/9/73,
Chicago letter to Milwaukee, dated 7/31/73, Milwaukee
letter to Minneapolis, dated 8/15/73 and Minneapolis
letter to Milwaukee, dated 9/28/73.

-P-

ADMINISTRATIVE

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS NONE	CASE HAS BEEN:			
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES	PENDING OVER ONE YEAR		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	PENDING PROSECUTION OVER SIX MONTHS	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
APPROVED <i>[Signature]</i>						SPECIAL AGENT IN CHARGE			DO NOT WRITE IN SPACES BELOW	
COPIES MADE:						<div style="text-align: right; font-size: 2em;">129</div>				
3- BUREAU (92-5375) (RM) 1- USA, MILWAUKEE 3- CHICAGO (2-92-1844) (RM) 1- [REDACTED] 2- MILWAUKEE (92-171)						Searched..... Serialized <i>Dr</i> Indexed..... Filed <i>Dr</i>				
Dissemination Record of Attached Report						Notations ROUTE TO [REDACTED] READ FOR [REDACTED] DATE INDEXED [REDACTED] INITIAL <i>Shm</i> DATE <i>10/23/73</i>				
Agency						b6 b7C				
Request Recd.										
Date Fwd.										
How Fwd.										
By										

COVER PAGE

A

MI 92-171

INFORMANTS

MI T-1 is [redacted]
[redacted] who was contacted on 6/28/73 and expressed a
desire that the conversation be of a confidential nature.

MI T-2 is [redacted] who was contacted on 7/31/73, 9/11/73 and
10/11/73 by SA [redacted].

b6
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b7D

MI T-3 is [redacted] who was contacted on 9/14/73 by
SA [redacted]

LEADS

CHICAGO DIVISION

AT CHICAGO, ILLINOIS

Will continue to develop background and possible organized
crime connections of [redacted]

b6
b7C

MILWAUKEE DIVISION

AT MILWAUKEE, WISCONSIN

Will continue to determine extent of organized crime activities
within the captioned organization.

COVER PAGE B*

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1- USA, Milwaukee
1- [redacted]

b6
b7C

Report of: SA [redacted]
Date: October 16, 1973

Office: Milwaukee

Field Office File #: MI 92-171

Bureau File #: 92-5374

Title: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN

Character: ANTI-RACKETEERING

Synopsis: The absorption of Local 257 and Local 200 now seems to have been completed. The only individual who seems to have obtained any power in Local 200 that was in old Local 257 is [redacted] of old Local 257 is now retired and [redacted] in old Local 257, [redacted] seem to be getting nowhere in the power structure of Local 200.

b6
b7C

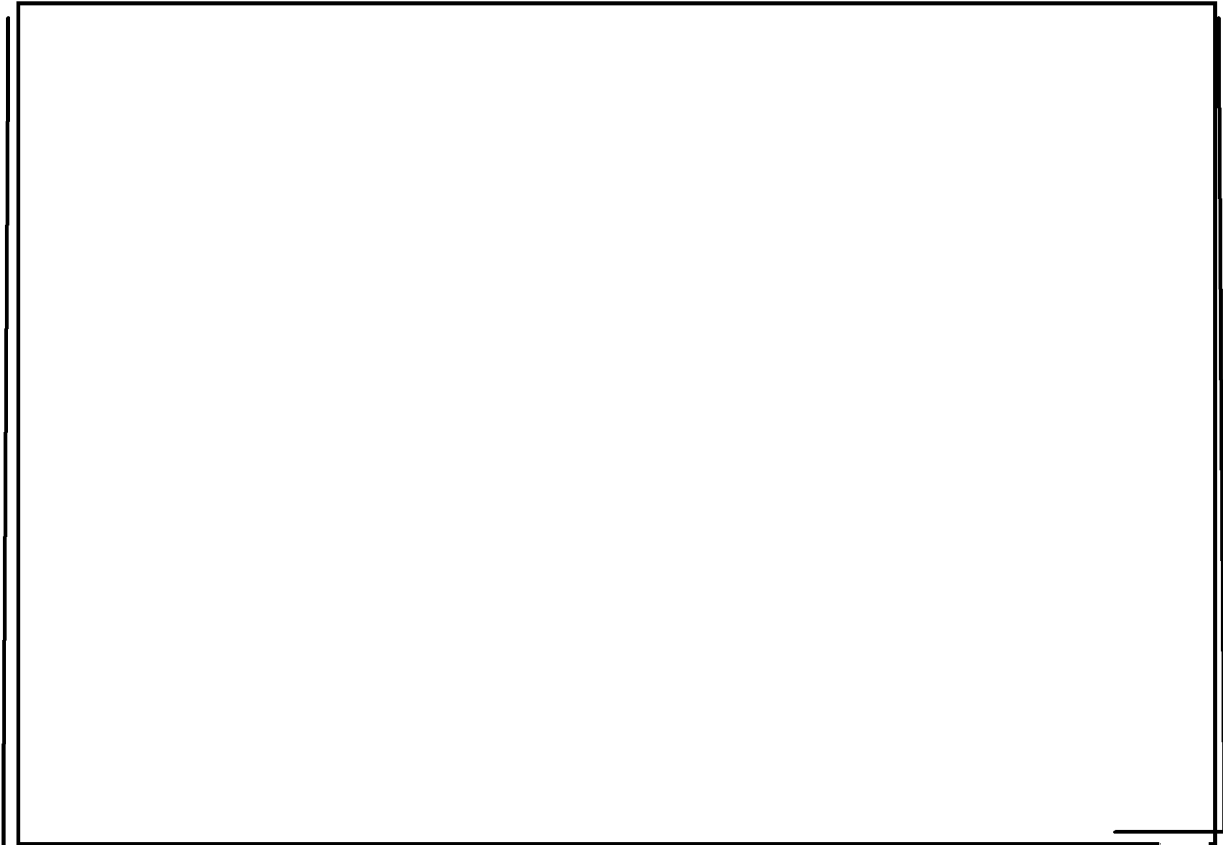
-P-

DETAILS:

On June 28, 1973, MI T-1 advised that he is certain that there is corruption in graft within the trucking industry; however, MI T-1 did not, at this time, have any specific facts of a current nature regarding these activities. MI T-1 was certain however that the shooting death of ROCCO DITELLO, who was a dissident union member, was an act of people who resented his activities within the Teamsters Union. Referral/Consult

Chicago Division advised that on July 11, 1973, [redacted]

FOIA 1190461
File 92-MW-171
FDPS pgs. 8-9



On July 31, 1973, MI T-2 advised that he had noted a general tendency recently in Local 200 with respect to the power struggle between the factions of [redacted] of old Local 257 and [redacted] of Local 200. [redacted] group seems to have picked [redacted] as the one man from 257 who they are going to give any authority at all to. The old [redacted] factions, made up chiefly of [redacted] [redacted] seems to be getting nowhere in the power structure. The [redacted] men, [redacted] seem to have little time and pay little attention to the [redacted] group.

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MI 92-171

On September 11, 1973, MI T-1 advised that there has been no unusual activities at Local 200, except that [redacted] was strengthening his position and had recently been in charge of some of the local meetings.

b6
b7C

On September 14, 1973, MI T-3 advised that telephone number (414) 639-4154 is subscribed to by Carbo and Carbo, Racine, Wisconsin.

On September 28, 1973, the Minneapolis Division advised that a review of the current Minneapolis telephone directory shows Minneapolis telephone 339-1431 listed to the United Way of the Minneapolis area, 404 South 8th Street, Minneapolis, Minnesota.

A call to this number disclosed that it is answered "Community Information and Referral Service."

Pretext inquiry of this organization disclosed that the Community Information and Referral Service is a part of the United Fund Organization and it handles referrals for welfare, housing, and juvenile and adult problems.

On October 11, 1973, MI T-2 advised that at this time the only one left from old Local 257 that has any power at all in Local 200 is [redacted] is rumored to have been brought into the [redacted] group and has been paid off to keep quiet.

b6
b7C



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

*In Reply, Please Refer to
File No.*

Title **CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN**

Character **ANTI-RACKETEERING**

Reference **Re Milwaukee report of SA [redacted]
[redacted] dated 10/16/73.**

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b7C

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE [REDACTED] (P) DATE: 10/17/73

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

Dates of Contact	
10/15/73	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
12-0	NARCOTICS MATTERS
92-171	C/A [REDACTED]
b6 b7C b7D	
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC	
<p>Source advised that things are still relatively quiet around Local 200. He has not seen or heard of any activity of [REDACTED] since the retirement of Local 257 [REDACTED] appears to be the only individual from 257 with any power at all in Local 200. He apparently has been completely taken into the RANNEY - LANE [REDACTED] organization.</p>	
<input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN (Ghetto only)	
Has informant shown any indication of emotional instability, unreliability or furnishing false information? No	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage
PERSONAL DATA	

1 - [REDACTED]
1 - 92-171
ALN/eac
(2)

b7D

130

92-171-130

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 17 1973	
FBI-MILWAUKEE	

SAC, CHICAGO (92-1844)

11/21/73

SAC, MILWAUKEE (92-171) (P)

CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN
AR

OO: Milwaukee

Re Milwaukee report of SA [redacted] dated
10/16/73 and Milwaukee letter to Chicago dated 9/24/73
captioned "ALLAN DORFMAN," Chicago File 92-1059.

In connection with the Chicago investigation
concerning the activities of ALLAN DORFMAN, the Milwaukee
Division recently obtained the toll records for the Jack
O'Lantern Resort in Eagle River, Wisconsin. This resort is
known to be controlled by JAMES HOFFA, ALLAN DORFMAN, and
FRANK RANNEY, Chicago and Milwaukee teamster figures. Among
the long distance toll records included in the obtained
records are the following Chicago area phone numbers:

[redacted] 312-348-4100
[redacted]

LEAD

CHICAGO DIVISION

At Chicago, Illinois

Determine subscriber and conduct indices check.

2 Chicago
2 Milwaukee
eac
fax



[Signature]

131

92-171-131

SEARCHED INDEXED
SERIALIZED FILED

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED] (P)

DATE: 11/29/73

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

b6
b7C
b7D

Dates of Contact

11/23/73

File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)

92-171

Purpose and results of contact

☐ NEGATIVE☒ POSITIVE☐ STATISTIC

could

Source advised that those in control of Local
200 were again trying to pull a fast one so that they

Source advised that [REDACTED]

However at these meetings nothing was allowed to be discussed.

[REDACTED] then had [REDACTED]

[REDACTED] would either be out of town
on business or out deer hunting. He had given notice that the

The meeting is

to be held at [REDACTED] and
will be at 9 AM. This will be to [REDACTED]☐ POSITIVE ASSIGNMENT GIVEN (Ghetto only)Has informant shown any indication of emotional instability, unreliability or
furnishing false information?

no

☒ Informant certified that he has furnished all information obtained by him
since last contact, including information concerning narcotics.Coverage
AR

PERSONAL DATA

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 29 1973	
FBI - MILWAUKEE	

b7D

1-92-171

(2)

ALN/aln

92-171-132

[REDACTED]
[REDACTED] (The above information was relayed
on this same date to [REDACTED], area administrator for the
U.S. Department of Labor). [REDACTED] advised that while this would
certainly be considered unusual activity and that there probably
was some mischief going on that his department did not get involved
once the contract had reached the area of ratification as this
is primarily a union function and can be handled at their discretion.

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UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-171) (P)

DATE: 1/25/74

FROM : SA [REDACTED]

b6
b7C

SUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN
AR

OO: MILWAUKEE

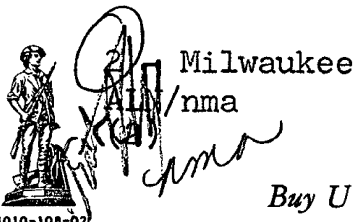
On 10/15/73, [REDACTED] advised that things were relatively quiet around Local 200. He had not seen or heard of any activity of [REDACTED] since the retirement of [REDACTED]. [REDACTED] appears to be the only individual from Local 257 with any power at all in Local 200.

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On 11/21/73, leads requesting subscriber identification of calls made from the Jack-O-Lantern Resort in Eagle River, Wisconsin, were sent to the Chicago Division.

Information obtained in subsequent contacts with [REDACTED] have failed to identify any substantial hoodlum activity associated with captioned institution. No report will be submitted on this matter until leads from the Chicago Division are covered. At that time, a decision will be made as to whether or not further investigation is warranted in this matter.

b7D



133
92-171-133

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 25 1974	
MILWAUKEE	

b6
b7C

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

PLEMENT

SIC

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

I 44 / 00-797-9495
FORREST POULTRY CO (INC)A AD 2 MAY 30 1973
WHOL DRESSED POULTRY 1941 3A11232-40 GEORGE ST
CHICAGO IL 60613
TEL 312 348-4100b6
b7C

SUMMARY

PAYMENTS	PPT
SALES	\$15,000,000
WORTH	\$1,203,260 F
EMPLOYS	100
RECORD	CLEAR

CONDITION	STRONG
TREND	UP

[REDACTED] PRES & CHIEF EXECUTIVE

MENTS

HC	OWE	P DUE TERMS
192000	71000	
15000	900	
10000	5000	7
5000		

APR 13 1973

Ppt
Ppt
Ppt
Ppt

SOLD

Over 3 yrs to 4-73
Over 3 yrs
Over 3 yrs to 3-73
2 yrs

HIGHLIGHTS

	Sep 30 1970	Sep 25 1971	Sep 30 1972
Curr Assets	\$1,841,021	\$1,396,011	\$1,659,343
Curr Liabs	962,412	468,163	647,493
Working Capital	878,609	927,848	1,011,850
Worth	1,051,695	1,115,509	1,203,260

This established business under experienced management, has developed a substantial annual volume. While detailed operating figures have been withheld, annual sales are reported in excess of \$15,000,000 with operations conducted on a profitable basis. Retention of earnings is reflected in steady growth of tangible net worth. The company has regularly maintained strong financial condition with the aggregate of cash and receivables covering total indebtedness at each year end.

RENT

On May 30 1973 Ernest Ehlerman Treasurer referred to the figures of Sep 30 1972 as the latest available. Treasurer Ehlerman further stated that the trend for 1973 continues to be upward.

Banking

The account has been maintained at a local depository since 1944 with balances averaging in satisfactory proportions. The account is non-borrowing with relations satisfactory.
6-8-73 (333 142) (9-21) (25)

b6
b7C

134

92-171-133

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 1974	

[REDACTED]

FORREST POULTRY CO (INC)
CHICAGO ILL

A CD Page 1
6-8-72

Following figures were prepared from financial statements received by mail and accompanied by a cover letter signed by E. D. Ehlerman Treasurer. Accountants not stated.

FINANCIAL STATEMENTS
(FISCAL)

	Sep 27 1969	Sep 26 1970	Sep 25 1971
STABLE SECURITIES.....	\$ 75,413	\$ 95,403	\$ 144,467
RECEIVABLE.....	486,975	700,000	
INVENTORIES RECEIVABLE.....	616,555	603,955	686,544
INVENTORIES.....	385,403	350,728	501,274
CURRENT ASSETS.....	13,316	90,935	63,726
TOTAL CURRENT ASSETS.....	1,577,662	1,841,021	1,396,011
FIXED ASSETS.....	214,685	173,086	185,161
DEPRECIATION.....			2,500
TOTAL ASSETS.....	1,792,347	2,014,107	1,583,672
LIABILITIES.....			
CURRENT LIABILITIES.....			
ACCOUNTS PAYABLE.....	468,911	592,391	306,331
INVENTORIES PAYABLE.....	136,585	249,962	161,832
INCOME TAXES (Except Federal Income).....	9,852	120,059	
DEFERRED INCOME TAXES.....	250,043		
TOTAL CURRENT LIABILITIES.....	865,391	962,412	468,163
LONG TERM LIABILITIES.....			
PREFERRED STOCK.....			
COMMON STOCK.....	75,000	56,300	56,300
RETAINED EARNINGS.....	870,656	995,395	1,059,209
UNREVALUED STOCK.....	(18,700)		
TOTAL EQUITY.....	1,792,347	2,014,107	1,583,672
WORKING CAPITAL.....	712,271	878,609	927,848
DEBT TO EQUITY RATIO.....	1.82	1.91	2.98
AVAILABLE NET WORTH.....	926,956	1,051,695	1,115,509

NOTES: D = DEFICIT,

fiscal Sep 25 1971 accounts receivable were shown less allowance for losses of \$30,000. Inventories were valued at the lower of cost or market. Fixed assets were shown \$238,182 accumulated depreciation and amortization. No contingent liabilities were stated.

FORREST POULTRY CO (INC)
CHICAGO ILL

A CD Page 2
6-8-72

PLEMENTAL DATA At Sep 25 1971 other current assets of \$63,726 were not further identified. Investments of \$2,500 were further identified as estments in associated companies.

TORY Started: This business was started in Mar 1941 as an Illinois corporation under the name of Forrest Poultry Co. The corporation continued until 1942 when it was dissolved and succeeded by a partnership of [redacted] and [redacted]. The partnership continued until it was succeeded by this poration.

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orporated: Under Illinois laws on Jan 10 1946.

horized Capital Stock: 2,500 of \$100 par value common stock.

standing Capital Stock: 563 shares are issued. 187 shares are held in the treasury the company.

Manaster former president died Mar 6 1969.

trol: Management has declined to issue a detailed breakdown of the stockholders of s corporation but it has been stated that control is in the hands of the officers the directors.

RATION Products: Wholesales poultry including chickens, turkeys, ducks, geese, and wild game fowl.

tribution: Primarily the larger metropolitan area of Chicago within a radius of roximately 60 miles of the City of Chicago.

ber of Accounts: About 700 including food stores, restaurants, hotels and institutions e.

sons: Volume is active throughout the year, however, seasonal peaks occur prior to nksgiving and Christmas holidays.

ms: Net 7 and weekly terms.

loyees: About 100.

ilities: The corporation premises are shared with three others. Occupies 85,000 are feet in a three story brick building. Business is located in the west side lesale produce district. Premises well suited to the needs of this business Its production facilities designed specifically for this operation. The building equipment is in an excellent state of repair.

(CONTINUED)

FORREST POULTRY CO (INC)
CHICAGO ILL

A CD Page 3
6-8-72

[] PRES
[] SEC

+ERNEST D. EHLERMAN, TREAS

DIRECTORS: The Officers Indicated by (+) with Bernard Rotter

AGEMENT BACKGROUND

[] born [] and is married. He has been employed by this corporation since []
has been president since []

b6
b7C

ERMAN born 1912 and is married. He has been employed by this corporation since 1944
was elected treasurer in 1969.

[] married, and has been associated with this company since about []
cted secretary in []

TER born 1906 and married. He has been employed here since inception, as general
ager and has continued as director since that date.
6-72 (982 127) (9-20) (30+)

Dun & Bradstreet

BUSINESS INFORMATION REPORT

SIC.

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

13 12

05-320-7658

CD 2 AUG 10 1972

UNITED FOUNDERS LIFE INSURANCE
CO OF ILLINOIS (INC)
(Subsy of United Founders Life
Insurance co (Oklahoma) Oklahoma City
Okla.)

1969

NQ

8550 W BRYN MAWR (SUITE 612)
CHICAGO ILL 60631
TEL 312 693-6660

SUMMARY

PAYMENTS PPT
EMPLOYS 11
RECORD CLEAR

FRES

b6
b7C

PAYMENTS

Not a seeker of commercial credit. Incidentals met promptly.

FINANCE

On Aug. 9, 1972, [redacted] asst. vice president and
controller, deferred financial statement.

STORY

[redacted] PRES [redacted] ASST V.P. CONTROLLER
[redacted] VP & ASST SEC [redacted] SEC & TREAS
[redacted] EXEC V PRES
DIRECTORS: The Officers and [redacted]

b6
b7C

Incorporated in Illinois in 1969 as United Founders Life Insurance
Co. of Illinois (Inc). On July 1, 1970 merged into Republic Investors Life
Insurance, East Moline, Illinois and a name was changed by charter amendment
to United Founders Life Insurance Co of Illinois (Inc) on July 1, 1970.

[redacted] born [redacted] married. Prior to this was still employed by [redacted]
[redacted] agency [redacted] Prior to that was
Oklahoma City,
Oklahoma for 2½ years.

[redacted] also appears as [redacted] and is chartered
life underwriter.

[redacted] also appears as [redacted] and is a
chartered Life Underwriter.

b6
b7C

[redacted] is [redacted] and is a chartered Life
Underwriter.

[redacted] and is a chartered Life Underwriter.
[redacted] asst. vice president and controller born [redacted] married.

From [redacted] admin. asst.
From [redacted] as secretary. From [redacted]
to [redacted] as treasurer and admin.
manager. From [redacted] as asst.
vice president and controller.

OPERATION

This is a wholly-owned subsidiary of United Founders Life Insurance Co
(Inc) (Oklahoma) 5900 Mosteller Drive, Oklahoma City, Oklahoma. Parent
company is also in the insurance line. Extent of inter-company relations
are unknown. Operates as insurance agency in the insurance business.
Operates under a general broker's license, class license, class II license
and non-resident license. 40 brokerage accounts. Firm is bonded up to \$1,000,000.
Principals are chartered life underwriters. Life lines of insurance are handled.
11 employees. LOCATION: Rents 6,000 square feet on the sixth floor of a ten-
story brick building in normal condition. Housekeeping is normal.
8-10 (417 143)

b6
b7C

92-171-135 135

SUPPLEMENT

SIC

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

63 11

05-320-7658

AD 2 JUN 5 1973

UNITED FOUNDERS LIFE INSURANCE INSURANCE
CO OF ILLINOIS (INC)
(Subsy of United Founders Life
Insurance Co (Oklahoma)
Oklahoma City, Oklahoma)

1969

NQ

8550 W BRYN MAWR (SUITE 612)
CHICAGO IL 60631
TEL 312 693-6660

PAYMENTS

HC	OWE	P DUE	TERMS
280			30
150	50		30

JUN 5 1973
Ppt
Ppt

SOLD
2 yrs
3 yrs

b6
b7c

CONDITION

On June 5, 1973 [REDACTED]
declined statement.
6-6 (474 181)

assit. vice president and controller,

BASE REPORT

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

57 11

CD 2 JUL 25 1973

SOUTHWEST INSURANCE AGENCIES HOLDING COMPANY

1967

ER

8550 BRYN MAWR
CHICAGO IL 60631
TEL 312 693-8550

SUMMARY

PAYMENTS UNDETERMINED
EMPLOYS 50
RECORD INCOMPLETE

b6
b7C

[REDACTED] PARTNER
AND ONE OTHER

PAYMENTS

Undetermined.

FINANCE

On July 25, 1973, [REDACTED] partner, deferred all information. [REDACTED] deferred all information to correspondence; this has been initiated and will be published upon receipt.

HISTORY

Partnership verbally acknowledged by [REDACTED] on July 25, 1973. [REDACTED] antecedents deferred. Identification of the other partner also deferred.

OPERATION

Operates as a holding company for the following partnerships which involve the same two partners: 1) Union Insurance Agency of Illinois, 2) Union Insurance Co of Ohio, 3) Union Insurance Co of Missouri. The number of employees is fifty. LOCATION: Rents space on second floor of a ten-story brick building in good condition. Located in secondary business section on well traveled street. There is one affiliate company, Coastal Union Insurance Agencies Inc. which operates several locations on the west coast. This is a sub chapter S Corporation, complete details not learned. 7-27 (470 170) +1

136
92-171-136
SEARCHED INDEXED
SERIALIZED FILED
FEB 1974
LWALKER
[REDACTED]

b6
b7C

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

CD 2 MAR 30 1972

DENTAL HEALTH INC

1962

NQ

1221 N LA SALLE ST
 CHICAGO ILL 60610
 TEL 312 943-0024

SUMMARY

PAYMENTS UNDETERMINED
 EMPLOYS 2
 RECORD CLEAR

[REDACTED] PRES
 [REDACTED] SEC
 LUCILLE FERKIN, TREAS
 DIRECTORS: The Officers

b6
 b7C

Undetermined.

On Mar 29 1972 [REDACTED] President deferred information to a later date.

Incorporated in Illinois on Nov 5 1962. Authorized capital consists of 1,000 shares of common stock at \$10 par value. Paid in capital \$1,000. [REDACTED] is single, born in [REDACTED]. Prior to starting Amalgamated Insurance Agency Service Inc., he was [REDACTED]. He also [REDACTED] [REDACTED] at the same address. That business incorporated in Illinois on Aug 1 1961 with authorized capital of \$5,000 consisting of 5,000 shares \$1 par value common. No financial details available that business. He started this business in 1962. [REDACTED] is married, born in [REDACTED]. Prior to [REDACTED] he was associated with [REDACTED]. He is president of [REDACTED].

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FERKIN is an employee and not further identified. In addition [REDACTED] hold identical office in [REDACTED] [REDACTED], chartered in Illinois on May 18 1956 and operates as a general insurance agency. Financial details not submitted on the latter business.

Extent of the inter company relations such as loans, guarantees or endorsements between the various business interests of the principals not closely determined.

ION Operates as agent and broker for various dental insured programs. LOCATION: Rents 7,000 square feet on second floor of two story brick building which is in normal repair. Housekeeping is normal. 4-7 (325 122)

b6
 b7C

92-171-137

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 9 1974	
FBI - MILWAUKEE	

[REDACTED] [Signature]

REPORT

C D-U-N-S © DUN & BRADSTREET, INC. STARTED RATING

99

OR 2 JUL 27 1973

CONFERENCE INSURANCE
CONSULTANTS INC

1960 ERN

8550 W BRYN MAWR AVE
CHICAGO IL 60631
TEL 312 693-8550

SUMMARY

PAYMENTS UNDETERMINED
EMPLOYS UNDETERMINED
RECORD INCOMPLETE

[REDACTED] PRES
[REDACTED] SEC
DIRECTORS: The Officers

b6
b7C

ENTS Undetermined.

NCE On Jul 27 1973 [REDACTED] Office Manager declined financial information.

ORY Incorporated Illinois. Corporate details are being requested from the Secretary of State. [REDACTED] born [REDACTED] and married. He is secretary of [REDACTED] at this same address. Prior to starting there in 1957 he was associated with [REDACTED]. He is [REDACTED] and single. He is president of [REDACTED] prior to starting that business in 1956 he was [REDACTED]. He is also a director of [REDACTED]. The officers here also appear as officers of [REDACTED] an Illinois corporation chartered May 18 1956 and [REDACTED] an Illinois corporation chartered Aug 1 1961, both at this captioned address. No financial details are available on either of these corporations. Exact extent of intercompany relations are not known.

ATION Provides an insurance consulting service for their clients. Employees undetermined. LOCATION: Space is occupied on second floor of a multi story brick building which is in good condition located in a secondary business area. Premises are neat.
7-30 (458 172)
9-14 (175)

138
92-77-138
SEARCHED INDEXED
SERIALIZED FILED
FEB 1974
MAKEN
[REDACTED]

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PLEMENT

IC

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

3 99

AD 2 SEP 7 1973

CONFERENCE INSURANCE
CONSULTANTS INC

ERN

8550 W BRYN MAWR AVE
CHICAGO IL 60631
TEL 312 693-8550

Incorporated Illinois on Apr 21, 1960 with authorized capital stock
10,000 shares common \$10 par value. 100 shares issued with stated value
\$1,000.

Lucille Ferkin is listed as treasurer of this corporation. Directors
here [REDACTED]
9-14 (458 175)

b6
b7C

Dun & Bradstreet BUSINESS INFORMATION REPORT

IC

D-U-N-S

© DUN & BRADSTREET, INC.

STARTED

RATING

11
32

CD 2 JUN 27 1972

1956

NQ

AMALGAMATED INSURANCE
AGENCY SERVICE INC
DENTAL HEALTH DIVISION
JACK O' LANTERN RESORT

1221 N LA SALLE ST
CHICAGO ILL 60610
TEL 312 943-0024

SUMMARY

PAYMENTS UNDETERMINED
EMPLOYS 150 (130 HERE)
RECORD CLEAR

[REDACTED]
[REDACTED] SEC
LUCILLE FERKINS, TREAS
DIRECTORS: The Officers

INTS

Undetermined.

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ICE

On Jun 27 1972 [REDACTED] President declined financial information.

ORY

Incorporated in Illinois on May 18 1956, authorized capital consists of 2,500 shares \$10 par common. 100 shares issued for \$1,000. [REDACTED] is single, born [REDACTED]. Prior to the start of the subject, he was [REDACTED]. He is also [REDACTED], at the same address. That business incorporated in Illinois on Aug 1 1961 with an authorized capital of \$5,000 consisting of 5,000 shares \$1 par common. No financial details available on that business. [REDACTED] is married, born [REDACTED]. Prior to [REDACTED] he was associated with [REDACTED]. He is president of [REDACTED] FERKINS in his 60's. Has been with Amalgamated for [REDACTED]. Business moved from 1221 N La Salle in 1971.

ATION

Operates as a general insurance agency selling all types of insurance to a local trade for regular terms. 150 employees with 130 here. LOCATION: Space occupied on second floor of multi story building. A resort, Jack O' Lantern Resort, at Eagle River, Wisconsin, is operated. The resort has 200 acres. The operation is run for the convenience of employees and guests of employees of the subject business.

6-28 (383-122) B3

b6
b7C

139

92-171-139

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 1974	
WAUNCE	

[REDACTED]

PLEASE NOTE WHETHER NAME BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY
Dun & Bradstreet REPORT

SPECIAL
ADDRESS

SIC

D-U-N-S

© DUN & BRADSTREET, INC.

RATING

SN 2 MAR 29 1973

11
32

AMALGAMATED INSURANCE
AGENCY SERVICE INC
DENTAL HEALTH DIVISION
JACK O' LANTERN RESORT

NQ

1221 N LA SALLE ST
CHICAGO ILL 60610
TEL 312 943-0024

ADDITIONAL BRANCH

On March 29, 1973, [REDACTED] the president, said that they now
have an additional branch at 2700 Trumbull, Detroit, Michigan.
3-30 (425) 172

b6
b7C

THIS REPORT MAY NOT BE REPRODUCED IN WHOLE OR IN PART IN ANY FORM OR MANNER WHATEVER.

is furnished by DUN & BRADSTREET, INC. in STRICT CONFIDENCE at your request under your subscription agreement for your exclusive use as a basis for credit, insurance, marketing
other business decisions and for no other purpose. These prohibitions are for your own protection - your attorney will confirm the seriousness of this warning. Apprise DUN &
DSTREET promptly of any question about the accuracy of information. DUN & BRADSTREET, INC. does not guarantee the correctness of this report and shall not be liable for any loss or
injury caused by the neglect or other act or failure to act on the part of said company and/or its agents in procuring, collecting or communicating any information. 955-3(690128)

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-171)

FROM : *H* SAC, CHICAGO (92-1844) (P)

SUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN
AR
OO: MILWAUKEE

DATE: 2/8/74

Re Milwaukee report of [redacted]
dated 7/9/73 and Milwaukee letter to Chicago,
dated 11/21/73.

Enclosed for information of Milwaukee
are six copies of Dun and Bradstreet reports
pertaining to subscribers of telephone numbers
whose identity was requested by Milwaukee.

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Referenced report asked Chicago to
discreetly conduct investigation to determine
background of [redacted]. Lead for
this investigation was inadvertently overlooked
and is being reported at this time.

The following investigation was conducted
by SA LAWRENCE B. CURTIN:

On 8/8/73, Chief of Police GORDON SHATTUCK,
Grayslake, Illinois Police Department advised that
his files contain no criminal record for [redacted]

On 8/8/73, Sergeant [redacted] Lake County
Sheriff's Office, Bureau of Identification, advised that
his files contain no reference to [redacted]

b6
b7C

On 8/8/73, [redacted]
[redacted] which also covers Grayslake, Illinois
advised that he can locate no record for [redacted]

2 - Milwaukee (Encl. 6)
3 - Chicago (1-92-1059) (1-87-40262)
WWT/lan
(5)

92-171-140

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 9 1974	
KEE	



Logical sources, including the 1972 Illinois Bell Telephone Directory, for the Waukegan area, do not reflect any reference to [redacted]

On 11/28/73, a review of the new (1973, August) Illinois Bell Telephone Directory, for the Waukegan area reflects a listing for [redacted] Illinois, telephone # BA 3-5568.

On 11/28/73, [redacted] advised his files reflect that a [redacted] has been in file ever since April, 1951. [redacted] further advised that contained in this file is a mis-filed reference to [redacted] date of birth [redacted], no SSAN, which [redacted] stated appears to be the son of [redacted]

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[redacted] advised that [redacted] has actually been in file as of January, 1962 and has one inquiry February, 1972, by First Federal Savings and Loan, Waukegan. [redacted] address is reflected as [redacted] Illinois and for the February, 1972 inquiry as [redacted] Florida. [redacted] stated that there is no derogatory information regarding [redacted]

On 11/28/73, [redacted] Waukegan, Illinois advised that his files reflect that on February 14, 1972 [redacted] made application, by mail from Florida, for a re-mortgage loan on a house in [redacted] advised that the matter was subsequently closed in June, 1972, due to [redacted] having taken no further action on his initial request.

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[redacted] further advised that a personal financial statement was attached to the application, but that this and all other documents could not be disclosed without a subpoena duces tecum being directed to his attention. He stated, confidentially, that [redacted] reflected a net worth, as of December, 1971, of approximately \$3,000,000.00/

Referenced Milwaukee letter requested that Chicago determine subscriber to the following telephone numbers:

CG 92-1844

[REDACTED]
(312) 348-4100
[REDACTED]

The following are the subscribers to the telephone numbers listed above:

348-4100

Subscribed to by Forrest
Poultry Company, 1238 West
George, Chicago, Illinois

[REDACTED]
Subscribed to by [REDACTED]
[REDACTED] Skokie,
Illinois

[REDACTED]
Subscribed to by [REDACTED]
[REDACTED] Skokie, Illinois
[REDACTED]

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Subscribed to by A. DORFMAN.
[REDACTED]

Amalgamated Insurance Agency,
American and Overseas,
Conference Insurance Consultants,
Dental Health, Inc.,
Dover Insurance Agency, Ltd.,
Health Plan Consultants,
Southwest Insurance Agency,
United Founder's Life.

For the information of Milwaukee, Chicago indices reflect that DOMINIC SENESE, Chicago hoodlum and labor leader, was formerly associated with this company. Enclosed Dun and Bradstreet report further reflects activities and assets of this Chicago company.

Enclosures for America and Overseas, Dover Insurance Agency, Ltd., and Health Plan Consultants are not being submitted inasmuch as no Dun and Bradstreet report exists. Further investigation relative to those companies listed as being subscribers to telephone number 693-8550 is not being conducted inasmuch as background for these companies is contained within enclosure Referral/Consult

For the information of Milwaukee, [redacted] b6
[redacted] is known to handle a portion b7C
of FRANK CALABRESE's "juice" operation. [redacted]

[redacted]
[redacted] does not have a telephone at his residence and it has been determined that no telephone has been installed in his residence. [redacted] has a pay telephone located in his place of business, [redacted]

[redacted] Chicago, which pay telephone he has been observed to use sparingly.

During October, 1973, a Subpoena Duces Tecum was served on the authorized representative of the [redacted] Chicago, Illinois for [redacted] number subscribed to by [redacted] Chicago, Illinois. A review of the [redacted] records so obtained reflected that there were no Message Unit Details available. During the period from [redacted] only [redacted]

LEADS

CHICAGO

AT CHICAGO, ILLINOIS. 1. Will continue to develop background and organized crime connection of [redacted] and [redacted]

2. Determine identity of [redacted] and [redacted]

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 2/19/74	INVESTIGATIVE PERIOD 8/8/73 - 2/8/74
TITLE OF CASE CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 200, MILWAUKEE, WISCONSIN		REPORT MADE BY SA [REDACTED]	TYPED BY eas
		CHARACTER OF CASE AR	

b6
b7cREFERENCES

Milwaukee report of SA [REDACTED] dated 10/16/73;
 Milwaukee letter to Chicago dated 11/21/73;
 Chicago letter to Milwaukee dated 2/8/74.

- P -

ADMINISTRATIVE

The period of this report is extended to include information not available at the time of the previously submitted report. Further, this correspondence has been kept current through communications with the Chicago Division.

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS None	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED						SPECIAL AGENT IN CHARGE		
COPIES MADE:						DO NOT WRITE IN SPACES BELOW		
3 - Bureau (92-5374) (RM)								
1 - USA, Milwaukee								
3 - Chicago								
(2 - 92-1844) (RM)								
(1 - AIC, Chicago Field Office, [REDACTED] (RM)								
2 - Milwaukee (92-171)								
Dissemination Record of Attached Report						Notations		
Agency						ROUTE TO [REDACTED]		
Request Recd.						READ FOR ACCURACY <i>AK</i>		
Date Fwd.						MARK INDEXING AND INITIAL <i>AK</i>		
How Fwd.						DATE <i>2/26/74</i>		
By								

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MI 92-171

Chicago Indices reflect that DOMINIC SENESE, Chicago hoodlum and labor leader, was formerly associated with Amalgamated Insurance Agency; American and Overseas; Conference Insurance Consultants; Dental Health, Inc.; Dover Insurance Agency, Ltd.; Health Plan Consultants; Southwest Insurance Agency; and United Founder's Life; and also that [redacted] is known to handle a portion of [redacted] juice operation. [redacted] has no telephone at his residence; however, he does have a pay phone at his place of business, [redacted] Chicago. Efforts to subpoena toll records of [redacted] by Chicago have indicated no long distance calls.

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INFORMANTS

MI T-1 is [redacted] who was contacted on 10/15, 11/1, 11/23, 12/18/73, 1/9/74 and 2/5/74 by SA [redacted] regarding this matter.

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MI T-2 is [redacted] [redacted] Waukegan, Illinois, who expressed a desire to remain anonymous with regard to certain facts supplied by him.

LEADS

CHICAGO DIVISION

At Chicago, Illinois

1. Will continue to develop background and organized crime connections of [redacted]
2. Determine the identity of [redacted] and [redacted]

b6
b7C

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will maintain contact with informants regarding captioned organization.

COVER PAGE B*

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

1 - USA, Milwaukee

Copy to: 1 - Chicago (Attorney in Charge, Chicago Field Office,
[redacted] (RM)b6
b7CReport of: SA [redacted]
Date: FEBRUARY 19, 1974

Office: Milwaukee

Field Office File #: MI 92-171

Bureau File #: 92-5374

Title: CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN

Character: ANTI-RACKETEERING

Synopsis: Source advised on 10/15/73 that lately there has been no
activity on the part of [redacted] since
the retirement of Local 257 [redacted]
[redacted] appears to be the only individual from Local 257 who
has become a power figure in Local 200.

- P -

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b7DDETAILS:At Chicago, IllinoisOn August 8, 1973, Chief of Police GORDON SHATTUCK,
Grayslake, Illinois Police Department, advised that his
files contain no criminal record for [redacted]On August 8, 1973, Sergeant [redacted] Lake
County Sheriff's Office, Bureau of Identification, advised
that his files contain no reference to [redacted]On August 8, 1973, [redacted]
[redacted], which also covers [redacted]
Illinois, advised that he can locate no record for [redacted]
[redacted]

MI 92-171

On October 15, 1973, MI T-1 advised that things are still relatively quiet around Local 200. He has not seen or heard of any activity of [redacted] since the retirement of Local 257 [redacted]. [redacted] appears to be the only individual from 257 with any power at all in Local 200. He apparently has been completely taken into the RANNEY - LANE [redacted] organization.

MI T-1, on November 23, 1973, advised that those in control of Local 200 were again trying to pull a fast one so that they could [redacted]

b6
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[redacted] Source advised that [redacted]

[redacted] However, [redacted]

[redacted] to be discussed. [redacted] then had [redacted]

[redacted] He had [redacted]

[redacted] The meeting is to be held at the union office at [redacted] and will be at 9:00 a.m. This will be to [redacted]

Logical sources, including the 1972 Illinois Bell Telephone Directory, for the Waukegan area, do not reflect any reference to [redacted]

On November 28, 1973, a review of the new (1973, August) Illinois Bell Telephone Directory, for the Waukegan area, reflects a listing for [redacted] Illinois, telephone number BA 3-5568.

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On November 28, 1973, [redacted]

[redacted] advised his files reflect that a [redacted] has been on file ever since April, 1951. [redacted] further advised that contained in this file is a mis-filed reference to [redacted] date of birth [redacted] no Social Security Account Number, which [redacted] stated appears to be the son of [redacted]

MI 92-171

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[redacted] advised that [redacted] has actually been on file as of January, 1962, and has one inquiry in February, 1972, by First Federal Savings and Loan, Waukegan. [redacted] address is reflected as [redacted] Illinois and for the February, 1972 inquiry as [redacted] Florida. [redacted] stated that there is no derogatory information regarding [redacted]

On 11/28/73, MI T-2 advised that during 1971

[redacted] had indicated to him that [redacted]
[redacted]

In response to a request by Milwaukee to the Chicago Division for the identity of subscribers, telephone numbers called from the Jack O'Lantern Lodge in Eagle River, Wisconsin, which is known to be frequented by ALLAN DORFMAN, the following subscribers were supplied on February 8, 1974:

348-4100

Subscribed to by Forrest Poultry Company,
1238 West George, Chicago, Illinois

[redacted]
Subscribed to by [redacted]
[redacted] Skokie, Illinois

[redacted]
Subscribed to by [redacted]
[redacted] Skokie, Illinois

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b7C

[redacted]
Subscribed to by A. DORFMAN, [redacted]
[redacted] Amalgamated Insurance Agency,
American and Overseas, Conference Insurance
Consultants, Dental Health, Inc.,
Dover Insurance Agency, Ltd.,
Health Plan Consultants,
Southwest Insurance Agency,
United Founder's Life.

*W. J. [unclear]
Candy [unclear]
Nov 6*



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Milwaukee, Wisconsin

February 19, 1974

In Reply, Please Refer to
File No.

Title

CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS, LOCAL 200
MILWAUKEE, WISCONSIN

Character

ANTI-RACKETEERING

Reference

Milwaukee report of Special Agent
[redacted] dated and captioned
as above.

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All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED]

DATE: 3/5/74

FROM : SA [REDACTED]

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SUBJECT: [REDACTED]

Dates of Contact	
2/21/74	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
92-171	
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE	
<input checked="" type="checkbox"/> POSITIVE	
<input type="checkbox"/> STATISTIC	
Source advised that [REDACTED] is continuing to strengthen his position in Local 200 by becoming [REDACTED]	
The business agent who deals with waste management is [REDACTED]	
<input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN (Ghetto only)	
Has informant shown any indication of emotional instability, unreliability or furnishing false information? <u>no</u>	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage
PERSONAL DATA	Criminal

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b7D1 - [REDACTED]
1 - (92-171)
ALN/nma
(2)
nma

142-
92-171-142

SEARCHED	INDEXED
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MAR 5 1974	
FBI - MILWAUKEE	

[REDACTED] *Al*

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-171) (P)

DATE: 4/9/74

FROM : SA [REDACTED]

b6
b7C

SUBJECT: CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS, LOCAL 200,
MILWAUKEE, WISCONSIN
AR

OO: MILWAUKEE

On 3/26/74, [REDACTED] advised that he has recently heard that during the State prosecution of [REDACTED] he had been in touch with [REDACTED] for the purpose of [REDACTED] [REDACTED] is reputed to in the past have done many favors for [REDACTED] etc. There has always been a feeling among the drivers that a collusion exists between [REDACTED] and ROY LANE, Local 200.

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5010-108-02

2-1 Milwaukee
AJW/jar

jar
slw/h

92-171-143

SEARCHED	INDEXED
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APR 11 1974	
MILWAUKEE	

Alh

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 5/31/74	INVESTIGATIVE PERIOD 2/21/74 - 5/2/74
TITLE OF CASE CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 200, MILWAUKEE, WISCONSIN		REPORT MADE BY SA 	TYPED BY brm
		CHARACTER OF CASE AR	

b6
b7CREFERENCEMilwaukee report of SA dated 2/19/74.

- P* 5

ADMINISTRATIVE

Investigation during the preceding year indicates that the absorption of Local 257 into Local 200 did not entail the infiltration of any of Local 257's La Cosa Nostra (LCN) associates into Local 200. This matter is, therefore, being placed in pending inactive status, will be followed through informants, and re-evaluated in six months.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES	None		
							PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED <i>ep</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW																										
COPIES MADE: 3 - Bureau (92-5375) (RM) 1 - USA, Milwaukee 1 - Chicago (AIC, Chicago Field Office,) (RM) ② - Milwaukee (92-171) <i>brm</i>		SEARCHED <u> </u> INDEXED <u> </u> SERIALIZED <u> </u> FILED <u> </u> 92-171-144																										
Dissemination Record of Attached Report <table border="1"> <tr><td>Agency</td><td></td><td></td><td></td><td></td></tr> <tr><td>Request Recd.</td><td></td><td></td><td></td><td></td></tr> <tr><td>Date Fwd.</td><td></td><td></td><td></td><td></td></tr> <tr><td>How Fwd.</td><td></td><td></td><td></td><td></td></tr> <tr><td>By</td><td></td><td></td><td></td><td></td></tr> </table>		Agency					Request Recd.					Date Fwd.					How Fwd.					By					Notations ROUTE T READ FOR ACCURACY MARK INDEXING AND INITIAL <u> </u> DATE* <u>6-10/74</u>	
Agency																												
Request Recd.																												
Date Fwd.																												
How Fwd.																												
By																												

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See folder for 11/1/74 To make pending

MI 92-171

INFORMANTS

MI T-1 is [redacted] who was contacted on 2/21/74, 3/26/74, 4/15/74, and 5/2/74, by SA [redacted]. [redacted] It should be noted that during these contacts, source indicated that he was not aware of any new or unusual activity within Local 200 and that those in power have solidified their position and the LCN presence, if it still exists, is a hidden one.

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-B*-

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, Milwaukee
1 - Chicago (Attorney In Charge, Chicago Field Office,
[redacted] (RM)

Report of: SA [redacted]
Date: May 31, 1974

Office: MILWAUKEE

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Field Office File #: MI 92-171

Bureau File #: 92-5375

Title: CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS, LOCAL 200,
MILWAUKEE, WISCONSIN

Character: ANTI-RACKETEERING

Synopsis: Information obtained from source indicates that the
absorption of Local 257 has been completed and that
only [redacted] appears to have maintained any power
in Local 200. No information has been received that
Milwaukee La Cosa Nostra (LCN) associates, who were
part of Local 257, have obtained any position of
power in Local 200.

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Details:

Source whose identity is
concealed herein has furnished
reliable information in the past
except where otherwise noted.

MI 92-171

[redacted] On February 21, 1974, MI T-1 advised that [redacted] is continuing to strengthen his position in Local 200 by becoming [redacted]. No other individuals from old Local 257 have obtained any position of power in Local 200.

On March 26, 1974, MI T-1 advised that he had recently heard that during the state prosecution of [redacted] that [redacted] had been in touch with [redacted] for the purpose of [redacted]. [redacted] is reputed to in the past have done many favors for [redacted] etc. There has always been a feeling among the drivers that collusion exists between [redacted] and ROY LANE of Local 200.

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UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED]

(P)

DATE: 4/9/74

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

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b7D

Dates of Contact

3/15/74 and 3/26/74

File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)

92-171 LOCAL 200 C/A [REDACTED]

92-1140 WASTE MANAGEMENT C/A [REDACTED]

Purpose and results of contact

☐ NEGATIVE☒ POSITIVE☐ STATISTIC

Source advised that he has recently heard that during the State prosecution of [REDACTED] he had been in touch with [REDACTED]

for the purpose of [REDACTED] NOWAKOWSKI is reputed to in the past have done many favors for [REDACTED] etc. There has always been a feeling among the drivers that a collusion exists between [REDACTED] and ROY LANE, Local 200.

b6
b7C
b7D☐ POSITIVE ASSIGNMENT GIVEN (Ghetto only)

Has informant shown any indication of emotional instability, unreliability or furnishing false information? No

☒ Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.

Coverage

CRIMINAL

144

PERSONAL DATA

b7D

1 - [REDACTED]
1 - 92-171
1 - 92-1140
A. J. Jar
(3) jar

92-171-144

SEARCHED	INDEXED
SERIALIZED	FILED
APR 10 1974	
FBI - MILWAUKEE	

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED] (P)

DATE: 6/28/74

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

b6
b7C
b7D

Dates of Contact

6-27-74

File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)

92-171 - C/A [REDACTED]

Purpose and results of contact

☐ NEGATIVE

☒ POSITIVE

☐ STATISTIC

On the above date source advised that there was very little happening at the local at this time.

He had noted that Frank Raney, long time head of Local 200, who is now head of Joint Council 39, national organizer, and on the Central states Pension Fund Board, and a good friend of Milwaukee hoodlum Frank Balistreibri, is building a mansion in Florida. This is probably in preparation for his retirement. Source stated that Raney is eligible for at least three full pensions that he knows of.

Also [REDACTED]

has a very large and expensive home in the [REDACTED] area.

Dittello has been spending money like water ever since [REDACTED]

[REDACTED] Rocky Dittello was shot in the head while hunting deer. Rocky was a union dissident and arch enemy of Frank Raney. Shortly after Rocky's death, [REDACTED] who up to that

time never had a nickle, buys national transit, putting up a large amount of cash.

☐ POSITIVE ASSIGNMENT GIVEN (Check only)

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Has informant shown any indication of emotional instability, unreliability or furnishing false information?

no

☒ Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.

Coverage

AR

PERSONAL DATA

145

92-171-145

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 28 1974	
FBI - MILWAUKEE	

b7D

1. [REDACTED]
2. 92-171
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]
9. [REDACTED]
10. [REDACTED]
11. [REDACTED]
12. [REDACTED]
13. [REDACTED]
14. [REDACTED]
15. [REDACTED]
16. [REDACTED]
17. [REDACTED]
18. [REDACTED]
19. [REDACTED]
20. [REDACTED]
21. [REDACTED]
22. [REDACTED]
23. [REDACTED]
24. [REDACTED]
25. [REDACTED]
26. [REDACTED]
27. [REDACTED]
28. [REDACTED]
29. [REDACTED]
30. [REDACTED]
31. [REDACTED]
32. [REDACTED]
33. [REDACTED]
34. [REDACTED]
35. [REDACTED]
36. [REDACTED]
37. [REDACTED]
38. [REDACTED]
39. [REDACTED]
40. [REDACTED]
41. [REDACTED]
42. [REDACTED]
43. [REDACTED]
44. [REDACTED]
45. [REDACTED]
46. [REDACTED]
47. [REDACTED]
48. [REDACTED]
49. [REDACTED]
50. [REDACTED]
51. [REDACTED]
52. [REDACTED]
53. [REDACTED]
54. [REDACTED]
55. [REDACTED]
56. [REDACTED]
57. [REDACTED]
58. [REDACTED]
59. [REDACTED]
60. [REDACTED]
61. [REDACTED]
62. [REDACTED]
63. [REDACTED]
64. [REDACTED]
65. [REDACTED]
66. [REDACTED]
67. [REDACTED]
68. [REDACTED]
69. [REDACTED]
70. [REDACTED]
71. [REDACTED]
72. [REDACTED]
73. [REDACTED]
74. [REDACTED]
75. [REDACTED]
76. [REDACTED]
77. [REDACTED]
78. [REDACTED]
79. [REDACTED]
80. [REDACTED]
81. [REDACTED]
82. [REDACTED]
83. [REDACTED]
84. [REDACTED]
85. [REDACTED]
86. [REDACTED]
87. [REDACTED]
88. [REDACTED]
89. [REDACTED]
90. [REDACTED]
91. [REDACTED]
92. [REDACTED]
93. [REDACTED]
94. [REDACTED]
95. [REDACTED]
96. [REDACTED]
97. [REDACTED]
98. [REDACTED]
99. [REDACTED]
100. [REDACTED]

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN MILWAUKEE	DATE 7/31/74	INVESTIGATIVE PERIOD 3/12/74 - 7/19/74
TITLE OF CASE CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 200, MILWAUKEE, WISCONSIN		REPORT MADE BY SA 	TYPED BY dcl
		CHARACTER OF CASE AR	

b6
b7cREFERENCE: Milwaukee report of SA dated 2/19/74.

-P-

LEADMILWAUKEE

AT MILWAUKEE, WISCONSIN. Will maintain contact with informants regarding captioned organization.

CHICAGOAT CHICAGO, ILLINOIS. Will continue to develop background and organized crime [REDACTED] of connections

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			

APPROVED					SPECIAL AGENT IN CHARGE					DO NOT WRITE IN SPACES BELOW				
COPIES MADE:														
3 - Bureau (92-5374) (RM) 1 - AIC, Chicago Field Office ③ - Milwaukee (92-171) (1 - USA, Milwaukee) 2 - Chicago (92-1844)														
Dissemination Record of Attached Report										Notations				
Agency										92-171-147 SEARCHED INDEXED SERIALIZED FILED AUG 3 1974 FBI - MILWAUKEE 				
Request Recd.														
Date Fwd.														
How Fwd.														
By														

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-A-

COVER PAGE

CG 92-1844

Referral/Consult

ADMINISTRATIVE

The investigative period in this matter has been extended to include information furnished on a confidential basis to the Federal Bureau of Investigation (FBI), Chicago, by Chicago, Illinois.

CG 92-1844



For the information of Milwaukee, in the body of this report relative to the interview of [redacted] references made by [redacted] to an individual by the name of [redacted]

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[redacted] By way of background for Milwaukee, [redacted] is the subject of Chicago file 92-2760 entitled, [redacted]

[redacted] He is currently involved with a collection agency operating on the west side of Chicago which was formulated for the purpose of collecting markers from those individuals who failed to honor their markers while gambling in Las Vegas casinos. Chicago file 92-2760 also reflects that [redacted] was formerly involved with the sale of magazines nationwide.

Lead to interview [redacted] Ohio, and [redacted] are not being set forth and are being left up to the discretion of the Office of Origin.

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - AIC, Chicago Field Office
1 - USA, Milwaukee

Report of: SA [REDACTED]
Date: 7/31/74

Office: CHICAGO

b6
b7C

Field Office File #: 92-1844

Bureau File #: 92-5374

Title: CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS,
LOCAL 200,
MILWAUKEE, WISCONSIN

Character: ANTI-RACKETEERING

Synopsis: Interview of [REDACTED]
acting in the capacity of [REDACTED]
[REDACTED] set forth. Interview of [REDACTED]
[REDACTED] set forth.
[REDACTED] delineating his association with [REDACTED] and also
his knowledge of FRANK RANEY [REDACTED] ROY LANE
and FRANK BALISTRIERI set forth.

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DETAILS:

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/11/74

[redacted] also known as [redacted] was contacted at his place of employment, [redacted] [redacted], Chicago, business telephone [redacted] and furnished the following information:

[redacted] advised that he is the owner of the above business, having been at his present location for approximately seven years. He is [redacted]

[redacted]

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[redacted] stated that [redacted] is an Illinois corporation, registered with the State of Illinois, having been incorporated approximately two years ago. He advised that the president of [redacted] (phonetic), [redacted] is reflected as [redacted] of the corporation. The corporation is fully owned by [redacted] who owns all stock in the company. He advised that the company was incorporated with a minimum of \$1,000.00. He advised that the company is in the business of [redacted]. He stated that the company acts as [redacted] is also a [redacted]. He advised that inasmuch as the company is very small it does not have a business office and he permits [redacted] to utilize as a business telephone [redacted] telephone physically located in [redacted]. He advised that [redacted] resides in [redacted], Illinois, and that [redacted] is a part-time business venture for [redacted].

6/6/74 Chicago, Illinois CG 92-1844
Interviewed on _____ at _____ File # _____
by SA [redacted] /dah Date dictated 6/7/74

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[redacted] advised that he does not know what business [redacted] is employed in, but that he does spend a considerable amount of time out of town. He advised in regard to the consultant portion of the business that [redacted] advises other companies as to [redacted]

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[redacted] He stated that [redacted] does not have [redacted] but that when they are needed the [redacted]

[redacted] advised that his company [redacted] is frequently away from Chicago. He stated that when need be his office [redacted] and his office also [redacted] He stated that the company has only one employee to whom a payroll check is written twice per month.

[redacted] stated that the only employee of [redacted] is an individual named [redacted] He stated that [redacted] He advised that [redacted] and then the check is given to [redacted] he presumes gives the check to [redacted] stated that he does not know what [redacted] does for [redacted] or where [redacted] resides or is employed. He stated that anything pertaining to [redacted] is given to [redacted] who then gives the information to [redacted] stated that he has never seen [redacted] and does not know what he look like.

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[redacted] advised that [redacted] is a fluid company, and that since its incorporation has shown a profit each year. He advised that he would contact [redacted] and let him know that the Federal Bureau of Investigation (FBI) wanted to talk to [redacted] relative to [redacted]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/23/74

[redacted] born [redacted]
residence [redacted] Illinois, residence
telephone [redacted] appeared voluntarily at the office of
the Federal Bureau of Investigation (FBI), 219 South Dear-
born, Chicago, and furnished the following information:

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[redacted] is employed as [redacted]
[redacted] Illinois, business telephone [redacted]
He has been employed in this capacity for approximately eight
year. Prior to this he was employed as [redacted]
[redacted]
which later merged with another company to form [redacted]
Prior to working for [redacted] he was employed as a
patrolman with the Chicago Police Department for eight years.

Relative to his position with [redacted]
advised that his immediate supervisor is [redacted]
[redacted] He stated
that his job with [redacted] necessitates that [redacted]

He represents [redacted]
[redacted] in the states of Kentucky, Ohio, Wisconsin,
Missouri, Minnesota, Illinois, Indiana, and Michigan. In
addition to this he and [redacted]

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[redacted] He stated that [redacted]
[redacted] meets on the last Tuesday, Wednesday, and Thursday
of each month, and that meetings are held at [redacted]
[redacted] Chicago, Illinois. He advised that [redacted]
[redacted] meets the first Tuesday and Wednesday of each month
at [redacted] Wisconsin. He advised that [redacted]
[redacted] on Tuesday, and the final
[redacted] on Wednesday.

Interviewed on 7/19/74 at Chicago, IllinoisFile # CG 92-1844

SAs [redacted]

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by [redacted]

WWT/lao

Date dictated 7/22/74

Relative to the activities of individuals associated with International Brotherhood of Teamsters, Local 200, Milwaukee, Wisconsin, [redacted] was asked by interviewing agents if he was familiar with [redacted]

[redacted] ROCCO DITELLO, FRANK RANEY, FRANK BALISTRIERI, JOSEPH R. BALISTRIERI [redacted] and ROY LANE. He advised that he had heard of, or knew, only FRANK RANEY [redacted] ROY LANE, and FRANK BALISTRIERI.

[redacted] stated that FRANK RANEY was the former Secretary/Treasurer of International Brotherhood of Teamsters, Local 200, Milwaukee. He stated that RANEY had open heart surgery approximately three years ago and as a result of the operation had to step down from his position with the union.

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[redacted] advised that [redacted] for Local 200 [redacted] FRANK RANEY for [redacted] of RANEY's term in office. At the expiration of RANEY's term in office [redacted] for Local 200, [redacted]

[redacted] He advised that [redacted] is presently in this position with Local 200, and for all intents and purposes [redacted] of Local 200. He stated that the number two man in the union is ROY LANE, whose exact position he did not recall. He added that in different locals around the country the number one man in the union is the Secretary/Treasurer, and the number two man is the President of the local, while in other locals the reverse is true.

[redacted] advised in addition to being employed for [redacted] he also is [redacted] a business he began approximately six years ago. He advised that [redacted] Chicago, handles [redacted] of the business as he himself is away from Chicago so much. He advised that the business employs [redacted], who is employed as a consultant to the business. He stated that the company is in the business of [redacted]

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CG 92-1844

[redacted] from Conneaut, Ohio, through Pennsylvania to Ripley, New York and on the return trip.

[redacted] advised he was aware that truckers could not haul tandem trailers through the state of Pennsylvania prior to [redacted]. He stated that when the idea to [redacted]

[redacted] could not go to Ripley, New York, to make contacts and set up the business. He advised that a person by the name of [redacted] with whom he had worked when [redacted] went to Ripley, New York, for him. He advised that the company advertised in the newspaper to set up the business, and the ad was answered by [redacted] and [redacted] put the business together and it was [redacted] responsibility to get [redacted]

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[redacted] stated that the first contract the company had was with the [redacted]. He advised that [redacted] entered into contract with this firm and approximately one year later [redacted]. He advised that [redacted] representing [redacted] entered into another contract with [redacted]

[redacted] and intended to [redacted]. [redacted] advised that he learned of this during a telephone conversation with [redacted]

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[redacted] He stated that shortly after this [redacted]. He advised that he ultimately did contract with [redacted]

[redacted] He advised that he no longer has a contract to [redacted]. He stated that when he did [redacted]

CG 92-1844

[redacted] advised that after [redacted] had been incorporated he employed [redacted] as a consultant to assist him in the operation of the corporation. He stated that he pays [redacted]

[redacted] He advised that the check for [redacted] is given to himself by [redacted] and then he gives [redacted] the check. He stated that [redacted] receives approximately [redacted] per week.

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[redacted] advised that approximately five months ago

[redacted]

[redacted] advised that [redacted] has told him that he receives [redacted] expense money for [redacted] attends whether it is in Chicago or out of town. He stated [redacted] is also [redacted]

[redacted]
[redacted] He advised that [redacted] but did not recall what [redacted]

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[redacted] advised relative to [redacted] that he pays [redacted] approximately [redacted]

[redacted]

CG 92-1844

[redacted] advised that from his association with [redacted] he has had occasion to meet [redacted] and [redacted]. He stated that [redacted] is married to [redacted]. He advised that he has met [redacted] [redacted] Chicago. He stated that he has also been introduced to [redacted] [redacted]

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[redacted] advised he did not know that [redacted] and [redacted] were allegedly involved in the "juice" business and has not heard from [redacted] that this is what [redacted] does. [redacted] advised that of his acquaintance with [redacted] he has only been introduced to them and knows nothing of their activities.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED] (P)

DATE: 9/16/74

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

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Dates of Contact 8/27/74	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information) 92-171 Local 200 [REDACTED]	
Purpose and results of contact <input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC <p>Source advised that it appears the association between the criminal element and the leaders of Local 200 is diminishing rapidly. The influence these individuals exercise over the union now seems to be concentrated in the Chicago area, specifically with relation to the activities of the Central States Pension Fund.</p> <p>Source has not observed FRANK BALISTRIERI or his son, JOE BALISTRIERI, both of whom were close to Local 200 activities when RANEY was president, around the local since [REDACTED]</p> <input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN (Ghetto only)	
Has informant shown any indication of emotional instability, unreliability or furnishing false information? No	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage Criminal
PERSONAL DATA	

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b6
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1 - [REDACTED]
① - 92-171 Date Received 11-18-74
ALN/cmg Date Forwarded 11-18-74
(2) [Signature] Sent by 12-9-74

92-171-1448

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1974	
FBI - MILWAUKEE	

[REDACTED] [Signature]

10-17-74

AIRTEL

AIRMAIL

TO: DIRECTOR, FBI
FROM: SAC, MILWAUKEE (156-NEW) (P)
SUBJECT: FRANK PETER BALISTRIERI;
STEVE JOHN DE SALVO;
CENTRAL STATES PENSION FUND
CHICAGO, ILLINOIS
WPPDA
OO: MILWAUKEE

Re Milwaukee letter to Miami dated 9-16-74
entitled, [redacted] AR," Milwaukee File 92-1412 and
Las Vegas teletype to the Bureau dated 9-30-74 entitled,
"STEVE JOHN DE SALVO, AR," Milwaukee File 92-165.

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For information, on 8-14-74, the Milwaukee
Division was contacted by [redacted] who is
employed by the [redacted] in
Milwaukee. [redacted] stated that in June, 1974, he [redacted]

6 - Bureau (AM)
2 - 156-NEW
2 - 92-5134
2 - 92-3116
2 - Chicago (Regular Mail)
2 - Las Vegas (92-4907) (AM)
2 - Miami (AM)
12 - Milwaukee
2 - 156-NEW
2 - 92-1412
2 - 94-36494-316
1 - 29-1135

2 - 92-165
1 - 92-171
1 - [redacted]
1 - 29-1326

b7D

REW/bap
(24)

fap

Reassign

11/1/74 *eb*

[redacted]

and make pending

SEARCHED INDEXED
SERIALIZED FILED

[redacted]

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92-171-149

MI 156-NEW

to Ft. Lauderdale, Florida, on business and during this trip he became acquainted with an individual by the name of [redacted] who resides at [redacted] Ft. Lauderdale, Florida, telephone number [redacted] told [redacted] he was in the building business and was affiliated with [redacted] in Ft. Lauderdale. [redacted] also told [redacted] that he, [redacted] had to travel to Milwaukee at the end of June, 1974, to close a deal with Milwaukee LCN boss FRANK BALISTRERI and that he would contact [redacted] while in Milwaukee. [redacted] stated that he was never contacted by [redacted]; however, he heard from [redacted] was in Milwaukee with a briefcase full of money. [redacted] visited [redacted] (who lives in Milwaukee) and displayed this briefcase to her.

[redacted] was reinterviewed on 10-4-74 and advised that [redacted] indicated to him that his meeting with BALISTRERI had something to do with a union pension fund loan.

On September 30, 1974, [redacted] stated that FRANK PETER BALISTRERI has been a frequent visitor to the Las Vegas area over the past several months. Source stated that BALISTRERI apparently travels to Las Vegas to oversee a teamster loan which was made to [redacted] who had purchased [redacted] in Las Vegas, Nevada, with a teamsters loan of more than [redacted] dollars. Information has also been received from Las Vegas indicating that STEVE JOHN DE SALVO, Milwaukee LCN "Capo" has been in Las Vegas representing BALISTRERI's interest.

Information has been received from [redacted] that [redacted] (who is the subject of [redacted] met with BALISTRERI [redacted] and furnished BALISTRERI [redacted] in Chicago. The source stated that [redacted] was acting in behalf of [redacted] and even though [redacted] BALISTRERI [redacted] he never [redacted] Source stated that STEVE DE SALVO also acts as a contact man for the Teamsters Union Pension Fund.

MI 156-NEW

A review of Milwaukee files reflect that BALISTRIERI has been a close associate of FRANK RANNEY over the past several years. RANNEY is a past president of Teamsters Local 200 in Milwaukee and is currently on the Advisory Committee for the Central States Pension Fund. Milwaukee feels that BALISTRIERI's association with RANNEY may be his connection to the Central States Pension Fund.

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Assistant United States Attorney [redacted] [redacted] EDW, Milwaukee, was contacted on 10-15-74 and advised of the facts in this matter. AUSA [redacted] stated that there appeared to be significant indication of a violation of the Welfare Pension Plan Disclosure Act to justify further investigation.

LEADS

MIAMI DIVISION

At Ft. Lauderdale, Florida

Will attempt to determine [redacted] business activities and ascertain whether he has recently obtained a union pension fund loan.

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LAS VEGAS DIVISION

At Las Vegas, Nevada

Will conduct appropriate investigation regarding [redacted] and will attempt to obtain details regarding the purchase of [redacted] in Las Vegas.

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CHICAGO DIVISION

At Chicago, Illinois

(1) Will review pending matter regarding the Central States Pension Fund for information on BALISTRIERI and DE SALVO.

MI 156-NEW

(2) Will contact source close to the pension fund for information regarding this matter.

(3) Will review pension fund files for information on loans to [redacted] Las Vegas, Nevada, and [redacted] Ft. Lauderdale, Florida.

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UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [] (P)

DATE: 11/4/74

FROM : SA []

SUBJECT: []

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b7D

Dates of Contact

10/25/74

File #s on which contacted (Use Title if File #s not available or when CI provides positive information).

92-171 c/a []

Purpose and results of contact

☐ NEGATIVE☒ POSITIVE☐ STATISTIC

Source advised that he had recently been in contact with [] and had determined the following information: ROY LAND, President of Local 200, in Milwaukee Wisconsin has in the past [] for both business and pleasure trips. The source heard that one of these []

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Source observed that this is just another indication of the collusion between SCHWERMANN Trucking and the Teamsters Local 200 which has resulted in the sweetheart contracts which the workers for that company now work under. Source had also learned that FRANK RANEY is presently in Madison Wisc. overseeing the teamsters local there as the Secretary Treasurer of that local started to think he was running his own show. RANEY is also on the CENTRAL STATES PENSION FUND ADVISORY BOARD. Source was directed to determine the present whereabouts of [] a teamster member.

Has informant shown any indication of emotional instability, unreliability or furnishing false information? **no**

☐ Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.

Coverage

same

PERSONAL DATA

reassign to SA [] SA [] ALT Agent.

92-171-150

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 4 1974	
MILWAUKEE	

Ken

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1- []
① 92-171
(2)

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED] (P)

DATE: 11/19/74

FROM : SA [REDACTED] and

SUBJECT: [REDACTED]

b6
b7C
b7D

Dates of Contact

10/18/74 and 11/13/74

File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)

92-171 C/A [REDACTED]

92-873 C/A [REDACTED]

92-1196 C/A [REDACTED]

[REDACTED] C/A [REDACTED]

Purpose and results of contact

☐ NEGATIVE☒ POSITIVE☐ STATISTIC

The contact on 11/13/74 was made by Alternate Case Agent [REDACTED] due to Case Agent's attendance at In-Service.

On 10/18/74, source advised that [REDACTED] (phonetic) of [REDACTED] is known to be the individual who is contacted for some of the union loans in the Milwaukee area. Source described this operation as a last resort for borrowers inasmuch as the costs including interest were very high. Presently loans [REDACTED]

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[REDACTED] and other costs. The borrower must [REDACTED] and the [REDACTED]

☐ POSITIVE ASSIGNMENT GIVEN (Ghetto only)

Has informant shown any indication of emotional instability, unreliability or furnishing false information?

No

☒ Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.

Coverage

General Criminal

PERSONAL DATA

1 - [REDACTED]
1 - Each listed above
ALN:lrh
(5)

92-171-151

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 19 1974	
FBI-MILWAUKEE	

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[redacted]

[redacted]

[redacted] to obtain these loans although the source stated this was not verified by anybody he had talked to.

On 11/13/74, source advised that during recent visits to Trovato's Restaurant on Milwaukee's east side, he observed an individual sitting at a table usually in the corner of the dining room. This individual appeared to be in charge of the other individuals, all white males, seated at the table. The only significant item which makes this noteworthy was that on one occasion the source overheard these individuals talking about truck hijacks in the Chicago area although he did not overhear any specific facts regarding these. The source identified a photograph of FRANK BUCCIERI as the individual he had observed at the restaurant.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-171)

DATE: 12/2/74

FROM : SAC, CHICAGO (92-1844) (RUC)

SUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS,
LOCAL 200,
MILWAUKEE, WISCONSIN
OO: MILWAUKEE

Re Chicago report of SA [redacted]
dated 7/31/74.

Since referenced report, Chicago has not been in possession of pertinent information relative to activities of [redacted] and the Central States Southeast and Southwest Pension Fund, Teamsters Union. Inasmuch as no further leads remain within the Chicago Division, this matter is considered RUC.

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2 - Milwaukee
1 - Chicago
WWT/cjy
(3)



5010-108-02

152-
92-171-152

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 3 1974	
FBI-MILWAUKEE	

[redacted] [redacted] [redacted]

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b7C

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED] (P)

DATE: 12/3/74

FROM : SA [REDACTED]

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SUBJECT: [REDACTED]

Dates of Contact 11/15/74	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
92-171	CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 200 C/A [REDACTED]
156-15	FRANK PETER BALISTRIERI C/A [REDACTED]
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC	
Source stated that [REDACTED] who is formerly [REDACTED] for Local 200, has been [REDACTED] from the Union and may be in a position to talk about the Union's illegal activities including the Central States Pension Fund. Source advised that [REDACTED] is also very upset with the Union and she may be willing to provide information.	
Source advised that [REDACTED] resides at [REDACTED] and that [REDACTED] resides at [REDACTED]	
<input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN (Ghetto only)	
Has informant shown any indication of emotional instability, unreliability or furnishing false information? No	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage CRIMINAL
PERSONAL DATA 1 - [REDACTED] 1 - 92-171 1 - 156-15 REW/jar (3) <i>[Signature]</i>	

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92-171-153

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 1974	
FBI - MILWAUKEE	

[Signature]

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 12-6-74	INVESTIGATIVE PERIOD 6-27-74 to 11-15-74
TITLE OF CASE CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 200, MILWAUKEE, WISCONSIN		REPORT MADE BY SA 	TYPED BY cmg
		CHARACTER OF CASE AR	b6 b7C

REFERENCES: Milwaukee report of SA 5-31-74;
Chicago report of SA , 7-31-74.

-PJ*

ADMINISTRATIVE:

The investigative period of this report is extensive; however, Milwaukee carried this case in a pending inactive status until 11-1-74.

INFORMANTS

6-27-74. MI T-1 is contacted by SA on

8-27-74. MI T-2 is contacted by SA on

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ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			

APPROVED <i>cmg</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW			
COPIES MADE: 3 - Bureau (92-5375) (RM) 1 - USA, Milwaukee 1 - Chicago (AIC, CFO,) (RM) (2) - Milwaukee (92-171) <i>cmg</i>		92	171	154	
		Searched.....	Serialized <i>ma</i>	b6 b7C	
		Indexed.....	Filed <i>in</i>		
Dissemination Record of Attached Report		Notations			
Agency		ROUTE TO. <i>Kew</i>			
Request Recd.		READ FOR ACCURACY.....			
Date Fwd.		MARK INDEXING AND			
How Fwd.		INITIAL.....			
By		DATE.....			

MI 92-171

MI T-3 is [redacted] contacted by SA [redacted]
on 10-25-74.

MI T-4 is [redacted] contacted by SA [redacted]
[redacted] on 11-15-74.

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LEAD

MILWAUKEE

AT MILWAUKEE, WISCONSIN. Will interview [redacted]
[redacted] Wisconsin, for
information he may have concerning Local 200.

B*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee
1 - Chicago (AIC, CFO, [redacted]) (RM)

Report of: SA [redacted] Office: Milwaukee
Date: December 6, 1974

Field Office File #: MI 92-171 Bureau File #: 92-5375

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Title: CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS, LOCAL
200, MILWAUKEE, WISCONSIN

Character: ANTI-RACKETEERING

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Synopsis: MI T-1 stated FRANK RANNEY, former secretary-treasurer, Local 200, is building a mansion in Florida. RANNEY is collecting three pensions from different unions. MI T-2 stated he has not observed FRANK BALISTRIERI around union activities since [redacted]. MI T-3 stated that ROY LANE, president, Local 200, has in the past [redacted]. [redacted] interviewed and stated that he is familiar with FRANK BALISTRIERI.

-P-

DETAILS:

On June 27, 1974, MI T-1 stated that FRANK RANNEY, long-time head of Local 200 and national organizer as well as member of the Central States Pension Fund Board, is a good friend of Milwaukee hoodlum, FRANK BALISTRIERI, and is currently building a mansion in Florida. The source advised that this is probably preparation for his retirement. Source stated that RANNEY is eligible for at least three full pensions in the Teamsters Union.

Sources whose identities are concealed herein have furnished reliable information in the past except where otherwise noted.

MI 92-171

On August 27, 1974, MI T-2 advised that it appears the association between the criminal element and the leaders of Local 200 is diminishing rapidly. The influence these individuals exercise over the union now seems to be concentrated in the Chicago area, specifically in its relation to the activities of the Central States Pension Fund.

Source has not observed FRANK BALISTRIERI or his son, JOE BALISTRIERI, both of whom were close to Local 200 activities, when RANNEY was president, around the Local [REDACTED]

On October 25, 1974, MI T-3 stated that ROY LANE, president of Local 200, has in the past [REDACTED]

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[REDACTED] Source heard that [REDACTED]
[REDACTED]

Source has also learned that FRANK RANNEY is presently in Madison, Wisconsin, overseeing the Teamsters Union local there and is secretary-treasurer. RANNEY is also a member of the Central States Pension Fund Advisory Board.

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On November 15, 1974, MI T-4 advised that [REDACTED]
[REDACTED] for Local 200, has [REDACTED] the union and may be in a position to talk about the union's illegal activities including the Central States Pension Fund.

FEDERAL BUREAU OF INVESTIGATION

11/14/74

Date of transcription

-1-

[redacted] Teamsters "General" Local Number 200, International Brotherhood of Teamsters, 6200 West Bluemound Road, Milwaukee, Wisconsin, was contacted at his place of business. After being advised of the identities of the interviewing Agents, as well as the nature of the investigation, [redacted] furnished the following information:

[redacted] advised that he was hired by Local 200 approximately [redacted] years ago. According to [redacted], he initially was hired as a [redacted]. [redacted] stated that after RANNEY left the Local, [redacted] last year [redacted] was [redacted] the membership as the [redacted] advised that [redacted] FRANK RANNEY, who is now a member of the Central State Pension Fund in Chicago. [redacted] stated that RANNEY maintains a residence in the State of Florida.

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[redacted] advised that Local 200 has approximately 11,000 members and is the largest Local in the State of Wisconsin. Local 200 maintains its own health and welfare plan; however, the Union's pension plan is maintained by the Central State Pension Fund in Chicago. [redacted] advised that approximately \$20 per week per member is sent to the plan by the various employers. [redacted] advised that these funds are sent to the American City Bank in Chicago, account number 7000. [redacted] advised that approximately \$200,000 per week is sent to the Central State Pension Fund by the employers of members of Local 200.

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[redacted] advised that the Local maintains its own health and welfare plan and this is administered at the Local Headquarters, 6200 West Bluemound Road, Milwaukee.

Interviewed on 11/5/74 at Milwaukee, Wisconsin

File #

MI 92-171
MI 156-15b6
b7C

SA [redacted] and
SA [redacted] (REW/brm)

Date dictated 11/8/74

MI 92-171

MI 156-15

-2-

[redacted] stated that the funds of this plan are kept on deposit with the Heritage Bank in Milwaukee.

[redacted] advised that besides FRANK RANNEY, he is also familiar with [redacted] who is also a member of [redacted] and acts in the capacity of an [redacted] stated that [redacted] is a Milwaukee Attorney.

[redacted] stated that he is familiar with ALLAN DORFMAN and others who are currently involved in the Chicago investigation regarding the Teamsters' Pension Fund. [redacted] stated that he is also familiar with FRANK BALISTRIERI and that he met BALISTRIERI through the former Secretary-Treasurer of Local 200, FRANK RANNEY.

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[redacted] stated that the Union has its annual party and dinner at BALISTRIERI's Centre Stage Theatre. [redacted] advised that he is not familiar with [redacted] but that he has read articles concerning these two individuals in the local newspapers.

[redacted] stated that [redacted]
[redacted]
[redacted] stated that [redacted]
he receives [redacted]

UNITED STATES GOVERNMENT

Memorandum

TO : SAC Milwaukee [REDACTED]

DATE: 1/7/75

FROM : SA [REDACTED]

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b7D

SUBJECT: [REDACTED]

Dates of Contact	
12/10/74 and 12/27/74	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
92-171	(C/A [REDACTED])
156-15	(C/A [REDACTED])
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC ①	Source stated that the shop stewards were again having their yearly dinner and party at FRANK BALISTRERI's night club, The Centre Stage. Source stated this party was being held on 12/27/74 and that numerous local hoodlums, as well as union officials attend.
②	Source stated FRANK RANEY and FRANK BALISTRERI are somehow involved in the waste management industry around the Milwaukee area.
Source advised [REDACTED] who [REDACTED] has numerous information on BALISTRERI, RANEY and the Teamsters Union. Source advised [REDACTED] would be a good person to talk to and [REDACTED] would like nothing better than to build a case against RANEY and BALISTRERI.	
<input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN	
Has informant shown any indication of emotional instability, unreliability or furnishing false information?	
NO	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage CRIMINAL

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PERSONAL DATA

 ③-Milwaukee (1-[REDACTED])
 (1-92-171)
 (1-156-15)

REW/bc

(3)

b7D

92-171-155

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 1975	
FBI - MILWAUKEE	

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED] (P)

DATE: 2-28-75

FROM : SA [REDACTED]

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b7D

SUBJECT: [REDACTED]

Dates of Contact	
1-23-75, 2-18-75	
File #s on which contacted (Use Titles if File #s not available or when CL provides positive information)	
92-171 TEAMSTERS LOCAL 200 [REDACTED]	
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE	Source stated that Teamsters Local #200 is again making concessions to Schwermann Trucking Company. Source stated that the Local has called a meeting for all Schwermann truckers and it appears that they will be negotiating a new contract for the benefit of Schwermann. Source advised that the Union members are convinced that Schwermann and the Union leadership are in collusion for their benefit at the expense of the Union members.
<input checked="" type="checkbox"/> POSITIVE	
<input type="checkbox"/> STATIST	
Source stated that he would attempt to obtain more specific information.	
<input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN (Ghetto only)	
Has informant shown any indication of emotional instability, unreliability or furnishing false information?	
No	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage
PERSONAL DATA	Criminal b7D

1 - [REDACTED]
1 - 92-171
REW/cmg
(2)
[Signature]

4-28-75
4-28-75
5-14-75
Report by [Signature]

92-171-156

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
FEB 28 1975	
FBI - MILWAUKEE	

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 5-14-75	INVESTIGATIVE PERIOD 12-10-74 - 4-24-75
TITLE OF CASE CRIMINAL INFLUENCE IN INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 200, MILWAUKEE, WISCONSIN		REPORT MADE BY SA 	TYPED BY cmg
		CHARACTER OF CASE AR	b6 b7C

REFERENCE: Milwaukee report of SA 12-6-74.

ADMINISTRATIVE

Inasmuch as there appears to be a lack of activity regarding the influence of Teamsters Local 200, Milwaukee is considering this matter closed. Milwaukee will maintain contact with pertinent sources and will reopen this matter if any development arises.

INFORMANTS

MI T-1 is contacted by SA on 12-10-75.

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN:		
CONVIC.	FUG.	FINES.	SAVINGS	RECOVERIES				
					None	PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		
APPROVED					SPECIAL AGENT IN CHARGE		DO NOT WRITE IN SPACES BELOW	
COPIES MADE:					3 - Bureau (92-5375) (RM) 1 - USA, Milwaukee 1 - Milwaukee (92-171) <i>cmg</i>			Searched..... Serialized <i>DR</i> Indexed..... Filed <i>DR</i> 92-171-157
Dissemination Record of Attached Report					Notations			
Agency	<i>Destruction 5/14/85</i> <i>cmg</i>				ROUTE TO READ FOR ACCURACY..... MARK INDEXING AND INITIAL..... DATE.....			
Request Recd.								
Date Fwd.								
How Fwd.								
By								

MI 92-171

MI T-2 is [REDACTED] contacted by SA [REDACTED]
on 12-27-74.

MI T-3 is [REDACTED] contacted by SA [REDACTED]
on 2-18-75.

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B*

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee

Report of: SA [REDACTED]
Date: May 14, 1975

Office: Milwaukee

b6
b7C

Field Office File #: MI 92-171

Bureau File #: 92-5375

Title: CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
LOCAL 200
MILWAUKEE, WISCONSIN

Character: ANTI-RACKETEERING

Synopsis:

The annual holiday dinner and party for the shop stewards and officers of Teamsters Local 200 was held at FRANK BALISTRERI's nightclub, the Centre Stage, on 12-27-74.

[REDACTED] Source has stated that FRANK BALISTRERI and former Local 200 business manager FRANK RANEY are some way involved in the Waste Management Industry in Milwaukee. [REDACTED] Source stated that there is talk around the Schwermann Trucking Company that Schwermann will negotiate a new contract for Schwermann's benefit and the Union officials will take Schwermann's side. Interview with [REDACTED]

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[REDACTED] is set forth.

-C-

DETAILS:

On December 10, 1974, MI T-1 stated that the shop stewards for Local 200 of the International Brotherhood of Teamsters were again having their yearly holiday dinner and party at FRANK BALISTRERI's nightclub, the Centre Stage, located in downtown Milwaukee. MI T-1 stated that this party was being held on December 27, 1974, and that numerous local hoodlums as well as Union officials would attend.

Sources whose identities are concealed herein have furnished reliable information in the past except where otherwise noted.

MI 92-171

On December 27, 1974, MI T-2 stated that FRANK RANEY (the former business manager of Local 200 and current member of the Central States Pension Fund in Chicago, Illinois) and FRANK BALISTRIERI are some way involved in the Waste Management Industry around the Milwaukee area.

On February 18, 1975, MI T-3 stated that Teamsters Local 200 is again making concessions to Schwermann Trucking Company. Source stated that the Local has called a meeting for all Schwermann truckers and it appears that they will be negotiating a new contract for the benefit of Schwermann. Source advised that the Union members are convinced that Schwermann and the Union leadership are in collusion for Schwermann's benefit at the expense of the Union members.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5-6-751

[redacted] who is employed as a [redacted] of Teamsters Local 200 at 6200 West Bluemound Road, Milwaukee, Wisconsin, was contacted at his place of business. After being advised of the identities of the interviewing Agents as well as the nature of the investigation, [redacted] furnished the following information:

[redacted] stated that he is employed as [redacted] of Local 200 and that he handles the [redacted] [redacted] stated that he was previously [redacted] Teamsters Local 225; however, in February of 1973 they merged with Local 200. [redacted] further stated that about that same time, Teamsters Local 257 also merged with Local 200 and [redacted] of Local 257, [redacted] became an officer of Local 200 and retired last [redacted] [redacted] advised that [redacted] is currently a [redacted] [redacted] for Local 200.

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[redacted] advised that he is familiar with FRANK RANEY; however, he knew of no illegal activities in which RANEY was involved.

Interviewed on 4-24-75 at Milwaukee, Wisconsin File # MI 92-171

by SA's [redacted] and [redacted] (RWW/cmg) Date dictated 4-30-75

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3*

Milwaukee, Wisconsin
November 28, 1975

LABOR RACKETEERING

The following information is being set forth concerning Labor Union/Organized Crime Division activities in the Eastern District of Wisconsin:

1. Presently there are no organized crime members holding office in labor unions in the Eastern District of Wisconsin. However, over the past several years information has been received indicating that Milwaukee La Cosa Nostra (LCN) "Boss" Frank Balistrieri has assumed an active role in the operations of Local 200 International Brotherhood of Teamsters in Milwaukee, Wisconsin.

Balistrieri is a close personal associate of Frank Raney, who is currently a member of the Central States Pension Fund, International Brotherhood of Teamsters, Chicago, Illinois. Raney until 1973 was Secretary/Treasurer of Local 200 and later became President of Local 200 and Secretary/Treasurer of Joint Council 13 which oversees the Teamsters operations in the State of Wisconsin.

After Raney retired from Local 200 in early 1973

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sources state that Raney is still in control of the Local.

Milwaukee LCN figure [redacted] was the [redacted] however, he retired in [redacted] Prior to his retirement, [redacted]

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In January of 1973, Local 257 merged into Local 200 and [redacted] for Local 200.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

5 - Bureau
2 - Milwaukee
(1 - 92-262)
(1 - 92-171)
REW/lmk
(7) *lmk*

92-171-159

SEARCHED INDEXED
SERIALIZED FILED
DEC 1 1975
FBI - MILWAUKEE

LABOR RACKETEERING

2. Information has been furnished from sources that many of the transportation companies associated with Local 200 of the International Brotherhood of Teamsters are engaged in "sweetheart" relationships with Union officials. The most notable arrangement is between Local 200 and Scherman Trucking Company in Milwaukee. According to sources an addendum was added to the Local Teamsters contract which stipulates that Scherman drivers who work within a 75 mile radius of Milwaukee will be paid the straight time hourly rate for the first 10 hours worked each day rather than the first eight hours as they were previously paid. A Union source has estimated that this stipulation cost Union members over \$1 million each year. The consideration, if any, given to Union officials has never been ascertained.

3. No information has been developed which would indicate that Union leaders, their relatives or associates have an interest in companies with which there is a collective bargaining agreement.

4. There have been indications that Local Teamsters officials (especially Frank Raney) have used their positions to arrange a pension fund loan to individuals associated with organized crime.

5. Information furnished herein has been obtained from sources either close to the Union or close to organized crime figures. Information has been corroborated, where possible, from public sources and through interviews with Union officials.

Information furnished through sources is on a continuing and current basis.

6. There have been eight labor related investigations opened in the Eastern District of Wisconsin between January 1, 1971 and June 30, 1975.

7. Five of the above investigations were closed without prosecution.

LABOR RACKETEERING

8. Two of the above investigations resulted in indictments.

9. None

10. Not applicable.

11. The Milwaukee Division currently has a major Hobbs Act investigation underway captioned "Electrical Contractors Association; ET AL; Anti-Racketeering - Hobbs Act; Antitrust; Racketeer Influenced and Corrupt Organizations, Office of Origin: Milwaukee," Milwaukee file 92-1411.

This investigation involves major price fixing of construction contracts involving both contractors and Union officials. Indictments are expected to be returned in early 1976.

11/28/75

AIRTEL

AIR MAIL

TO: DIRECTOR, FBI
(ATTN: SPECIAL INVESTIGATIVE DIVISION)

FROM: SAC, MILWAUKEE (92-262)

SUBJECT: LABOR RACKETEERING
INFORMATION CONCERNING
BUDED: 12/1/75

Re Bureau airtel to Albany, 11/6/75.

Enclosed for the Bureau are five copies of an LHM
as requested in referenced airtel.

3 - Bureau (Enc. 5)
2 - Milwaukee
(1 - 92-262)
(1 - 92-171)

REM/lmk
(5)

92-171-160

SEARCHED INDEXED
SERIALIZED FILED

11/28/75

AIRTEL

AIR MAIL

TO : DIRECTOR, FBI

FROM : SAC, MILWAUKEE (92-262)

SUBJECT: LABOR RACKETEERING
INFORMATION CONCERNING
BUDED 12/1/75

Re Bureau airtel to Albany, 11/6/75.

As per Bureau instructions, the following information is furnished by the Milwaukee Division:

1. Presently there are no organized crime members holding office in labor unions in the Eastern District of Wisconsin. However, over the past several years information has been received indicating that Milwaukee LCN "Boss" FRANK BALISTRERI has assumed an active role in the operations of Local 200 International Brotherhood of Teamsters in Milwaukee, Wisconsin.

BALISTRERI is a close personal associate of FRANK RANEY, who is currently a member of the Central States Pension Fund, International Brotherhood of Teamsters, Chicago, Illinois. RANEY until 1973 was Secretary/Treasurer of Local 200 and later became President of Local 200 and Secretary/Treasurer of Joint Council 13 which oversees the Teamsters operations in the State of Wisconsin.

After RANEY retired from Local 200 in early 1973

[REDACTED]
[REDACTED]
[REDACTED] sources state that RANEY is still in control of the Local.

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b7D

2 - Bureau
(2) - Milwaukee
(1-92-262)
(1-92-171)

REW/lmk
(4)

92-171-465

MI 92-262

Milwaukee LCN figure [redacted] was the [redacted]
[redacted] Teamsters Local 257. However, [redacted]
[redacted]. Prior to [redacted] In
[redacted] January of 1973, Local 257 merged into Local 200 and
[redacted]
for Local 200.

b6
b7C

2. Information has been furnished from sources that many of the transportation companies associated with Local 200 of the International Brotherhood of Teamsters are engaged in "sweetheart" relationships with Union officials. The most notable arrangement is between Local 200 and Scherman Trucking Company in Milwaukee. According to sources an addendum was added to the Local Teamsters contract which stipulates that Scherman drivers who work within a 75 mile radius of Milwaukee will be paid the straight time hourly rate for the first 10 hours worked each day rather than the first eight hours as they were previously paid. A Union source has estimated that this stipulation cost Union members over \$1 million each year. The consideration, if any, given to Union officials has never been ascertained.

3. No information has been developed which would indicate that Union leaders, their relatives or associates have an interest in companies with which there is a collective bargaining agreement.

4. There have been indications that Local Teamsters officials (especially FRANK RANEY) have used their positions to arrange a pension fund loan to individuals associated with organized crime.

5. Information furnished herein has been obtained from sources either close to the Union or close to organized crime figures. Information has been corroborated, where possible, from public sources and through interviews with Union officials.

Information furnished through sources is on a continuing and current basis.

MI 92-262

6. There have been eight labor related investigations opened in the Eastern District of Wisconsin between January 1, 1971 and June 30, 1975.

7. Five of the above investigations were closed without prosecution.

8. Two of the above investigations resulted in indictments.

9. None

10. NA.

11. The Milwaukee Division currently has a major Hobbs Act investigation underway captioned "Electrical Contractors Association; ET AL; AR - Hobbs Act; Antitrust; RICO, OO: Milwaukee," Milwaukee file 92-1411.

This investigation involves major price fixing of construction contracts involving both contractors and Union officials. Indictments are expected to be returned in early 1976.

(Mount Clipping in Space Below)

5 Judges, Maier Attend Teamsters' Union Party

By Richard L. Kenyon
of The Journal Staff

Five Milwaukee judges, Mayor Maier, a county supervisor and a state official attended a Christmas party of Teamsters Union Local 200 Sunday night at the Centre Stage Dinner Playhouse, 624 N. 2nd St.

The crowd of more than 300 heard the mayor speak and apparently enjoyed the party, the drinks, a choice of lobster or steak, the music and singing.

The mayor's remarks to the party were not released. The

press was not admitted to the party and was barred from covering the mayor's speech.

Maier was not co-operative before or after the party. When he arrived about 6:20 p.m., an aide tried to shield him from a Milwaukee Journal photographer. When he left more than three hours later, he refused to tell a reporter what he had told the group.

The party is an annual affair for union stewards of the Teamsters local here.

Other public officials seen entering the party included

Circuit Judges Robert M. Curley, Louis J. Ceci and John E. McCormack, and County Judges Robert J. Miech and Michael T. Sullivan, the county's chief judge. Also attending were E. Thomas Ament, a county supervisor, and Robert T. Huber, chairman of the State Highway Commission.

After the party, the reporter asked Maier outside the Centre Stage what he had said in his talk. In reply, the mayor demanded:

"What's the point? What's

the goddamn point of this? What are you doing here?"

"I want to know what you said upstairs," the reporter said.

Mayor's Question

"What are you trying to make of this?" the mayor asked. "You're trying to find the mayor guilty of some wrong doing. The Journal has tried that for years and it's found nothing."

The reporter again asked the mayor to tell him what he had said in his speech, but the mayor insisted it was a "privileged affair, a private party, and not an official appearance."

"There are six or seven judges up there," the mayor said. "Are you going to take their pictures, too?"

"We might," the reporter said.

The mayor asked again why the newspaper was interested in his speech and he was told that he was the mayor of Milwaukee, addressing a large union group, and that was of public interest.

Implication Issue

The mayor then suggested that The Journal was trying to imply that there was something wrong with his attending the party.

"Was Frank Balistreri there?" Maier was asked.

"He owns the place," Maier said.

"I didn't know that," the reporter said. "We always thought Peter Balistreri owned the Centre Stage."

"Well, I always thought Frank owned it," the mayor said.

Frank Balistreri is the reputed Milwaukee underworld leader who served a prison term in 1971 for income tax evasion. His brother, Peter, holds the license for the Centre Stage.

"Was he there?" the reporter asked.

"He was in the lobby but not right at the party," Maier said.

Orders Given

Other sources said Balistreri was running the party, giving orders to the staff at the Centre Stage.

A discussion followed about the publicity the Teamsters Union had been getting recently. The mayor asked the reporter if he thought there was

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anyone upstairs in the night club that the mayor should not want to be associated with.

"Do you want to be associated with Frank Balistreri?" Maier was asked.

"I'll tell you, I don't want to be associated with the god-damn Journal," he answered.

"That's not what I asked," the reporter said. "Do you want to be associated with Frank Balistreri?"

One Association

"I want to be associated with one person," Maier said, "and that's with Henry W. Maier."

The mayor said The Journal was "trying to impugn me" and again insisted that the reporter tell him "the point of all this."

His speech peppered with profanity, the mayor attacked The Journal for earlier stories on him. He said the paper should take on the Pentagon, because "that's where the big ripoff is."

He said The Journal did not take a stand, but that he had done so.

The reporter said he was at the Centre Stage to cover the event there and that any squabbles with The Journal should be taken up with Journal executives.

Institutional Fight

He then apologized and said his fight with The Journal was an institutional fight.

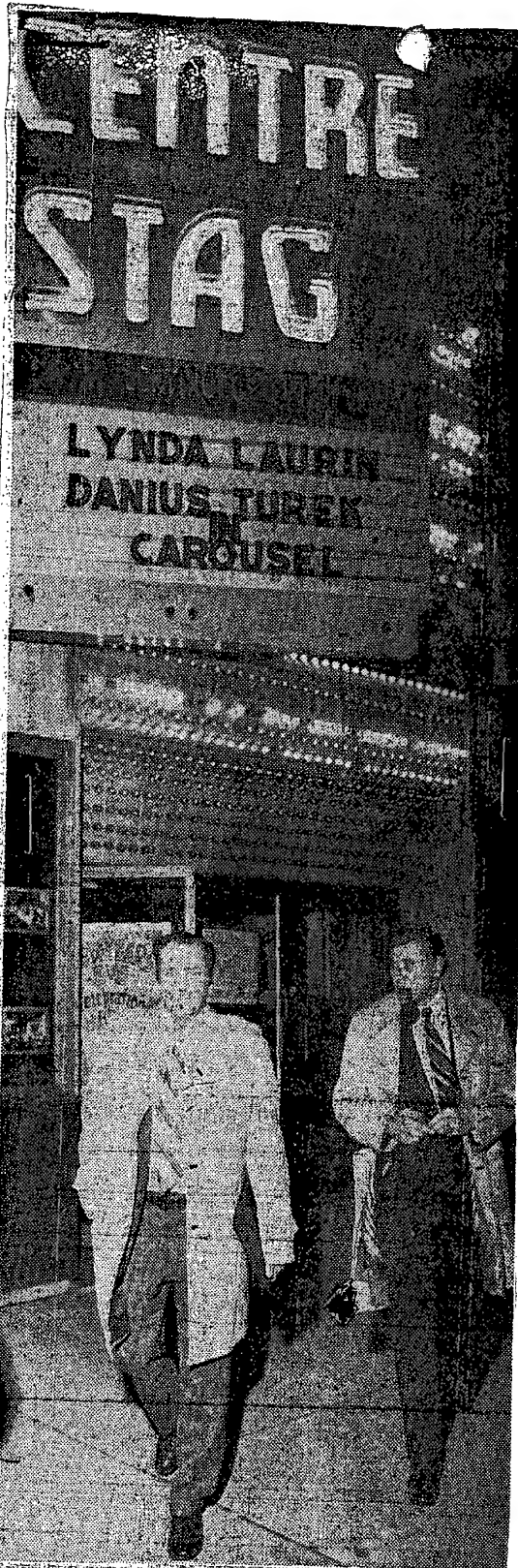
"The mayor's office is an institution and The Journal is an institution," he said.

He left with his two aides and wished the photographer a merry Christmas.

Ceci told a reporter when he left the party that he attended it because he had received Teamster endorsement in previous political campaigns.

Ament said that he was a friend of James Jesinski, secretary-treasurer of Local 200.

Sullivan was questioned as he went into the party and said that he was expecting to have a good time.



Journal Photo
Mayor Maier and Police Capt. Edmund Kazmierski
as they left the Centre Stage Theater Sunday.



—Journal Photo by Lynn Howell

MAYORAL COVERUP—Police Capt. Edmund J. Kazmierski Jr. tried to cover Mayor Maier's face Sunday as they entered the Centre Stage Theater where a Christmas party was being held for officials and stewards of Local 280 of the Teamsters Union. Kazmierski is Maier's chief bodyguard. At right is another bodyguard, also a Milwaukee policeman.

(Mount Clipping in Space Below)

Teamster Loans To Care Centers

By DENNIS J. SIEG

First of a Series

Two child care institutions operated by a Milwaukee firm that has received more than \$12 million in public money during the last eight years were financed by Teamsters Union pension funds, The Milwaukee Sentinel has learned.

The institutions, the Wyalusing Academy in Prairie du Chien and the Eau Claire Academy, are operated by Clinicare Corp., 7635 W. Oklahoma Ave.

State and county records reveal that:

- The two institutions were purchased for a total of \$245,000. They were mortgaged to the Teamsters Union's Central States Pension Fund as security on loans totaling nearly \$1.5 million.

- Officials of Clinicare during the last two years sought state reimbursement for more than \$310,000 in costs that state auditors called unjustified and unrelated to child care, including bills from a West Allis liquor store and meals at Milwaukee restaurants.

- A campaign committee for State Senator James Devitt (R-Greenfield) received more than \$2,300 in contributions from persons associated with Clinicare's owner. Devitt had pushed an amendment to the state budget that changed the procedure of negotiating rates for child care institutions, resulting in payments to Clinicare that were estimated at nearly \$250,000 higher than they would have been under the rates before the change.

- George R. Dreske controls several other companies that do business with Clinicare, making it difficult for state auditors to determine his actual costs and profits.

- Clinicare receives almost 20% of about \$12 million budgeted annually by the state for all 40 state-licensed child care institutions.

Dreske, who is shown on state records as Clinicare's sole stockholder, was fined \$2,000 last October and placed on probation for two years after being convicted in Federal Court here on a charge of failing to deposit \$21,179 in employee withholding taxes related to Clinicare.

Reporters have been unable to contact Dreske for comment on Clinicare despite numerous attempts to reach him through his office.

Clinicare was formed in 1968 by Dreske, the owner of a

West Allis auto salvage yard, and Kent T. Wakefield Jr., a Milwaukee businessman.

In 1967, the two men also had formed the Dreske-Wakefield Co. That company bought the properties for the Eau Claire and Wyalusing Academies, leasing the institutions to Clinicare, which ran the child care programs.

In 1974, the state reimbursed Clinicare for about \$268,000 in rent paid to Dreske-Wakefield.

Dreske is now the sole owner of both companies, according to state records. Wakefield has declined to discuss his involvement with Clinicare and Dreske-Wakefield with a reporter.

Dreske-Wakefield began in 1967 by purchasing the former Sacred Heart Hospital in Eau Claire, which eventually became the Eau Claire Academy. Two years later, the company purchased a former convent in Prairie du Chien and opened it as the Wyalusing Academy.

The hospital was acquired for \$150,000 and the convent was bought for \$95,000, according to the Catholic orders that sold the properties to Dreske-Wakefield.

The purchases were financed with three loans totaling \$1,475,000 from the Teamsters' Central States Pension Fund during the period from 1967 through 1969.

Pension Fund Studied

The pension fund is under scrutiny by the FBI, the U.S.

Justice Department and the U.S. Labor Department.

The care program at the Eau Claire Academy was praised by Milton M. Varsos, chief psychologist for the State Division of Family Services (DFS), which negotiates payments to child care institutions.

Varsos described Thomas Litherland, the academy's director, as extremely competent and very skilled in running child care facilities.

"You have to separate ownership from the treatment staff," Varsos said.

County records show that Dreske has received other loans from the pension fund. A 1970 loan for \$1.1 million resulted in a judgment against Dreske for that amount last year in Waukesha County Circuit Court when he defaulted on the loan.

(Indicate page, name of newspaper, city and state.)

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Dreske, 56, of 1495 Greenway Terrace, Elm Grove, owns a condominium unit at Canon Gate Condominiums, a luxurious North Miami (Fla.) development that The Miami Herald has called the unofficial Southern headquarters of the Teamsters.

Notable Neighbors

Dreske's neighbors at Canon Gate include Frank E. Fitzsimmons, Teamsters International president; Thomas E. Flynn, Teamsters International vice president; William Presser, head of the Teamsters Union in Ohio; and Paul and Allen Dorfman, former associates of ex-Teamsters boss James R. Hoffa.

The first Teamster pension fund loan to Dreske-Wakefield was for \$375,000 on July 20, 1967, about a month after the company bought the former hospital in Eau Claire.

The second loan was for \$300,000 on March 7, 1968. That loan also was secured by the hospital property.

The additional \$300,000 apparently was needed to finance the first year's operation of the Eau Claire Academy.

Licensing records at the Eau Claire district office of the State Department of Health and Social Services indicate that Wakefield had been told by the office in late 1967 that one year's operation of the academy would cost \$300,000.

"Mr. Wakefield gave the impression that the amount stipulated for a year's operating reserve was immaterial," a state worker noted in the file.

The \$300,000 loan had been approved by the pension fund in January 1968, and included a \$3,000 "service charge," according to a letter to Dreske from Francis Murtha, a trustee of the fund.

6 Children in Academy

By February, 1968, the Eau Claire Academy (which at first was called the Lorenz Institute) had six children in residence.

However, by late 1968, the population had risen to 43, largely because of an influx of children from Milwaukee County.

The state files indicate that Wakefield had told the state that the Milwaukee County

welfare department had "agreed to make mass referral of approximately 36 cases."

In early 1968, the county was paying Clinicare \$29 a day per child in residence. By the end of that year, the rate increased to \$40 a day per child.

The current rate, now paid by the state, is about \$56 a day — the highest of any state-licensed institution.

In March, 1969, Dreske-Wakefield purchased its second institution, the former convent in Prairie du Chien that dated back to 1872. The company paid \$95,000 for the property, according to the treasurer of the convent.

On March 27, 1969, Dreske-Wakefield obtained its third Teamster loan. The pension fund approved a loan of \$1.2 million, but only \$800,000 of that amount actually was disbursed, according to court records.

The former convent was opened as the Wyalusing Academy.

The man hired as its director was Cyril Murphy, who had been the La Crosse district director of the then State Public Welfare Department responsible for licensing the institution.

In 1974, the two institutions cared for a total of 149 children at a cost of about \$2.3 million to the state.

Clinicare received \$1,691 a month per child at the Eau Claire Academy and \$1,230 a month per child at Wyalusing.

Although the two institutions were purchased for a to-

tal of \$245,000, Clinicare has placed a value of \$3 million on the two properties in reports submitted to state auditors.

The auditors' reports have said that Clinicare's books reflect a value of about \$1.8 million for the properties.

The state last year reimbursed Clinicare for \$267,960 in rent paid to Dreske-Wakefield for the two institutions. In calculating the amount of reimbursable rent, the state takes into account the value of the properties and interest paid on any loans.

The interest on the Teamster loans during 1974 was about \$117,000, according to state records.

(Mount Clipping in Space Below)

State Rejected \$212,825 in Clinicare Bills

Second of a Series

By DENNIS J. SIEG

A Milwaukee company that operates two child care institutions sought during a two year period state reimbursement for \$212,825 in expenses that

were later disallowed by state auditors.

The auditors said that many of the expenses were unjustified or unrelated to child care.

The expenses included purchases from a West Allis liquor store, bills from several Milwaukee restaurants, long distance calls and cables to South America and the removal of a tree at the home of the company's owner.

The Clinicare Corp., 7635 W.

Oklahoma Ave., which operates the Wyalusing Academy in Prairie du Chien and the Eau Claire Academy, received about \$2.3 million from the state last year for caring for about 150 emotionally disturbed children.

George R. Dreske, who according to state records is Clinicare's sole stockholder, opened the institutions in the late 1960s with financing from the Teamsters Union's Central States Pension Fund.

The state annually conducts audits of child care institutions to determine whether reimbursement paid by the state is justified by actual costs.

The state last year paid Clinicare \$1,691 a month per child at Eau Claire and \$1,230 a month per child at Wyalusing.

In calculating state reimbursement, the State Department of Health and Social Services allows a 10% profit for the operating company based on gross costs.

As Milton M. Varsos, chief psychologist for the Division of Family Services, explained, "The higher the costs, the higher the rates and the higher the profits."

The 40 state licensed child care institutions. But it receives about 20% of about \$12 million budgeted annually by the state for all 40 institutions.

A state audit report dated last Sept. 29 said that of nearly \$2 million in costs claimed in 1974 by Clinicare, \$108,105 was unrelated to child care or unjustified.

The costs that were disallowed by the state included:

- \$8,918 in convention, travel and conference expenses, including bills totaling \$426 at the Milwaukee Athletic Club and \$742 at Aliota's on the Blue Mound.

- Toll charges and cablegram expenses, including calls or cables to Colombia, Venezuela and Florida.

- \$13,800 paid to the Rev. Elmer Prenzlau Jr. for what state auditors alleged was primarily public relations work.

- \$6,000 in interest on loans for which no formal notes were produced.

- \$33,168 in what state auditors determined was excessive rent and leasing fees. Much of that amount was paid to other companies owned or controlled by Dreske.

The auditors at first also disallowed \$5,000 in salaries for Dreske's two daughters, but later allowed the expense because they said they could not prove that the two women did not work for Clinicare.

The audit report also noted that no time cards were kept for employees of the two academies and Clinicare's corporate headquarters.

The report concluded that the state should have paid Clinicare \$1,527 a month per child at the Eau Claire Academy instead of the \$1,625 that was paid during an 11 month period ending Sept. 30, 1974.

A similar audit report completed in 1974 disallowed \$104,717 in costs claimed in 1973 by Clinicare. They included:

- \$989 paid to Space Beer & Liquor Mart, 7615 W. Oklahoma Ave., for "refreshments" for corporate office personnel.

- \$125 listed under "professional services" for having a tree removed at Dreske's Elm Grove home.

- \$160 for having a refrigerator installed in Dreske's office.

• \$1,175 in meal expenses at Sally's Steak House, the John Ernst Cafe and the Tyrolean Towne House.

After determining what costs are allowable, the state allows a 10% profit in setting its rates.

However, Dreske owns several other companies that do business with Clinicare.

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The result, described in a 1974 memorandum to County Supervisor William Nagel from County Welfare Director Arthur Silverman, is that the profit of one company could be included in the cost of another.

Ties Questioned

Silverman also said that the state's findings indicated that Clinicare's corporate headquarters at 7635 W. Oklahoma Ave. "appears to serve the special interests of the owner that are either unrelated to the academies or, if related, the relationship is questionable...."

In a letter to Nagel, chairman of the County Board's Welfare Committee, Silverman also said that new rates for Clinicare should not be approved until a full disclosure was made of transactions between Clinicare and other businesses owned or controlled by Dreske.

Silverman also said there should be a full disclosure of the positions, names and salaries of Dreske's family members involved in the various businesses.

Silverman said that state figures indicated that Clinicare's profit for the year would be \$229,766.

Other businesses that are owned or controlled by Dreske or members of his family include:

- The Professional Arts Building, 7635 W. Oklahoma Ave., which rents office space to Clinicare.

- The Dreske-Wakefield Co., which rents the two academies to Clinicare for about \$268,000 a year while Clinicare pays the property taxes and maintenance costs on the buildings.

- Aries Leasing and George Dreske Enterprises, which lease equipment and fixtures to Clinicare. Equipment rental for the two academies totaled more than \$60,000 in 1974.

- A house in Eau Claire that

Clinicare rents from Dreske for \$275 a month for the academy's director. Clinicare also pays property taxes on the house.

The state reimburses Clinicare for all of its payments to the above entities.

Payment Listed

Dreske personally was paid more than \$32,000 during 1974 by Clinicare in salary and "professional fees," according to the state's audit.

The report commented that Dreske operates numerous other businesses out of Clinicare's office and that transactions involving those businesses are included in Clinicare's expenses.

A 1974 letter to Clinicare from the Division of Family Services said, "Our auditors found it difficult to unravel the confusing maze of interlocking directorships which involved Clinicare, Professional Arts, Aries Leasing and Dreske Enterprises."

Dreske stepped down as president of Clinicare in 1974, but remained the sole stockholder, according to state records. He was replaced by his son-in-law Gere Wiggins.

Dreske could not be reached for comment. A secretary at Clinicare's office said he was out of the state and that she did not know where he could be reached.

However, state records indicate that earlier this year Dreske told state auditors "Clinicare has never made an excessive amount of money."

Wednesday — Devitt
Campaign Committee.

(Mount Clipping in Space Below)

Centers Tie To Teamster Funds Rapped

Sentinel Madison Bureau

Madison, Wis. — State Sen. Dale McKenna (D-Jefferson) Monday strongly criticized the use of Teamsters Union pension funds to finance two child care institutions operated by Clinicare Corp. of Milwaukee.

"Yes, it does disturb me," said McKenna, pointing to federal investigations of the use of the Teamsters Central States Pension Fund.

McKenna is a member of the Joint Legislative Committee on Institution Closings, a panel holding hearings on the scheduled closings of the Wisconsin Child Care Center at Sparta and the Wisconsin School for Girls at Oregon.

The state reimburses certain costs of 40 state licensed child care institutions, which may have to handle the children from Sparta and Oregon.

However, State Rep. Robert Quackenbush (R-Sparta) said that the use of pension funds to finance Wyalusing Academy in Prairie du Chien and Eau Claire Academy, both operated by Clinicare, may not be disturbing.

"I don't think there is anything wrong with a union loaning money," said Quackenbush. "My concern is not the philosophy, but the specifics of a certain loan."

He also is a committee member.

Sen. Thomas Harnisch (D-Neillsville), meanwhile, said the Clinicare child care institutions recruit too hard in the state.

"You send your child there because you've been sold on it and the state is forbidden to recruit," said Harnisch. He said Clinicare recruiting practices probably caused a referral of 36 children in 1968 from Milwaukee County to Eau Claire Academy.

However, Robert Lizon, of the State Division of Family Services, said that the referrals probably were made because of the "more structured setting" at Eau Claire Academy.

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(Mount Clipping in Space Below)

Devitt Pushed Care-Rate Measure

Last of a Series

By DENNIS J. SIEG

State Sen. James Devitt (R-Greenfield) worked hard to obtain passage of a seemingly minor amendment to the state budget review bill during the 1974 special session of the Legislature.

The amendment, which dealt with rates for child care institutions, resulted in an estimated \$245,098 in increased state revenue over existing rates for the Clinicare Corp., a Milwaukee firm that operates two child care institutions in Wisconsin.

After the amendment was adopted by the Senate, Devitt's campaign committee

State Sen. James Devitt



tee Friends of Senator Jim Devitt received \$5,000 in contributions from 11 persons.

Devitt was connected to or was friends of Clinicare's lawyer, George R. Dreske.

Devitt also received a \$1,000 contribution about two months later from the political arm of the Teamsters Union, whose pension fund had been involved in financing Clinicare's institutions.

At the time of the contributions, Devitt's Senate term had more than two years to run. However, he was seeking the GOP nomination for governor at the state Republican convention at the time.

Known as Senate Amend-

ment 32, the measure resulted in the State Department of Health and Social Services becoming solely responsible for setting rates for child care institutions. It also provided retroactive rate hikes for some institutions, including Clinicare's.

Previously, Milwaukee County's Welfare Department had negotiated its own rates with Clinicare and 23 other institutions. The county's rates generally were lower than state rates.

The amendment resulted in an additional \$1.4 million in payments for children from Milwaukee County over a 17-month period, according to Welfare Department estimates.

Of that amount, \$245,098 went to Clinicare, which operates the Wyalusing Academy in Prairie du Chien and the Eau Claire Academy, according to department figures.

Prior to the amendment, the county had been paying \$1,400 a month per child for the 43 children it had placed in the Eau Claire Academy. The state rate was \$1,625 a month.

At Wyalusing, the county paid \$1,055 per child per month for 17 children, compared with a state rate of \$1,230 a month.

The county's lower rates resulted from the county's refusal to allow certain costs claimed by Clinicare, according to a Welfare Department source.

When the amendment passed in 1974, the

not approved a new rate for Clinicare since 1971. The county had offered to increase the rate at the Eau Claire Academy from \$1,400 a month per child to \$1,485 a month, but that offer was rejected.

After the amendment's passage, the state assumed responsibility for rates and payments.

A 1974 memo from the county welfare director, Arthur Silverman, to William Nagel, chairman of the County Board's Welfare Committee, referred to the county's problems in negotiating a new rate with Clinicare. Silverman said they included:

- Resistance to requests for disclosure of related interests between various commonly owned entities doing business with one another.

- Indefinite explanations and justifications for budgeted costs.

- Inconsistencies between actual costs for one year and the budgeted costs for the following year.

After the State Senate adopted the amendment, which provided a retroactive rate hike from Aug. 5, 1973, the County Board also approved \$107,000 in retroactive payments to Clinicare for the period from Nov. 1, 1971, through Aug. 4, 1973.

Senate Amendment 32 began its life in the office of State Sen. Milo Knutson (R-La Crosse) after Knutson was contacted by Clinicare, according to Paul Merkel, a Beloit at-

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torney who was Knutson's legislative aide at the time.

"But Devitt did most of the work in obtaining passage of the amendment, Merkel said.

"Devitt did a great deal of work in pushing the amendment through," Merkel said.

"The floor leadership and the carrying of debate and the enlistment of support all came from Devitt," he said.

Merkel said Devitt "moved the amendment around" and led the floor fight for its passage.

The amendment eventually was co-sponsored by 25 senators, including Knutson and Devitt, who was then chairman of the Senate's Health, Education and Welfare Committee.

It was introduced on May 17 and adopted by the Senate on May 21, 1974.

The contributions came a week later.

Contributions Listed

Devitt's campaign committee, Friends of Senator Jim Devitt, reported receiving the following contributions on May 28, 1974, in a report filed with the State Elections Board:

- \$450 from Mrs. Karen Wiggins, who is Dreske's daughter and the wife of Gene Wiggins, Clinicare's president.

- \$480 from E.J.C. Prenzlow Jr., who received \$13,800 in fees from Clinicare during 1973, according to state audit reports.

- \$450 from Al Marusinec, of 3028 S. 96th St., West Allis, who is employed by Able Auto Body, Inc. Dreske was president of Able Auto Body in 1974.

- \$475 from Peggy Raether of Watertown. Peggy Raether is the maiden name of Dreske's daughter-in-law, Mrs. Kenneth Dreske.

- \$400 from LeRoy Farness of Eagle River, a former West Allis alderman who has done business with Dreske.

The report also listed contributions totaling \$2,635 from six other persons who have had business dealings with Dreske or are friends of Dreske.

The report did not list any contributions from Dreske. It did report a \$1,000 contribution on Aug. 7, 1974, from DRIVE, the political arm of the Teamsters Union.

The Teamsters' Central States Pension Fund at the time held mortgages totaling nearly \$1.5 million on the two institutions operated by Clinicare.

Devitt told a reporter Tuesday that he was not aware of many of the contributions.

"To tell the truth, I do not pay that much attention to my campaign contributions," he said. "They are handled by my

committee. I don't even see the money that comes in."

Devitt said it was unusual for him to lead the floor fight for any bill involving child care because he was chairman of the Health, Education and Welfare Committee.

Devitt said he met with Dreske and other owners of child care institutions during the special session. The amendment was necessary, he said, because the rates for all 40 state licensed child care insti-

tutions had been frozen for four years prior to 1974.

However, a Welfare Department spokesman said Milwaukee County had approved rate increases during 1973 for nearly all child care institutions with the exception of the two owned by Clinicare.

And the state did not freeze its rates until August, 1973, according to Donald Dent, chief of field audits for the State Division of Family Services.

Rate increases were granted

in the years 1971, 1972 and 1973, Dent said. He said the rates were then frozen until the state could establish a board to review services offered by child care institutions.

However, the freeze was lifted by Senate Amendment 32, Dent said.

Devitt said the contributions were used in his 1974 attempt

to get the Republican nomination for governor during the GOP state convention.

He said he had received support from the Teamsters since he first ran for public office.

"I can assure you that I have no connection with the Teamster pension fund nor has any member of the pension fund ever mentioned any loans or anything to me," he said.

(Mount Clipping in Space Below)

US Probes Teamsters Pension Fund

By VICTOR RIESEL

WASHINGTON, D. C. — It is the beginning of the end of underworld linked operatives who have been tainting or looting through shaky loans, hundreds of millions of dollars of the notorious Chicago-based Teamsters pension fund.

Rarely has so methodical and sizeable an assault brigade been developed by federal investigators as is now quietly investigating the fund's investment policies and loans and finders fees, kickbacks and even violence involved in the handling of the gargantuan amounts of cash.

At the end, it is expected, the probe will have turned up powerful Mafia and international crime personalities who haven't made the headlines. It will be disclosed, it is said, that these politically influential operatives are more powerful than those who regularly make the news.

SINCE THIS probe of the Teamsters' Central States, Southeast and Southwest Areas Pension Fund — and the billion dollar welfare expenditures, too — is being tied to the search for Jimmy Hoffa, insiders now take for granted that his disappearance is related to the pension fund millions rather than to his dream of recapturing labor power.

This search for Hoffa now has spread, it can be revealed, to five areas outside Detroit — New York, Newark, New Orleans, Cleveland and Chicago. In addition, a lawyer has been peeled off

from the Buffalo, N. Y., strike force.

It's all being shepherded by the new five man Interdepartmental Policy Committee made up of top officials of



Victor Riesel

the Department of Labor and the Justice Department. In turn, this group will oversee a squad called the Joint Task Force.

Through the Policy Committee, members of both departments, lawyers and investigators, will attempt to crack the manipulation of pension fund millions. It won't happen overnight. Estimates of investigating chiefs believe it will take from two to four years.

BUT WHEN it's over, the government hopes it will have proven it just doesn't pay to mishandle a penny of the \$300-billion now in private pension money in the US. For a weapon against the hungry operatives in and out of the underworld, the Policy Committee has the new Employee Retirement Income Security Act (ERISA). It's legal teeth make it the jaw in this law enforcement drive against those who see the

pension and welfare field in the '70s and '80s becoming what "rum-running" and gambling developed into during the '30s and '40s.

At the moment the Joint Task Force is building its staff of five auditors into a 25-man inspection squad. And there is the FBI, which now has spent well over 20,000 agent manhours and 3,000 clerical manhours just in the Hoffa affair.

So carefully has all this been developed since Senators Pete Williams and Jack Javits secretly conferred with Deputy Atty. Gen. Harold Tyler Oct. 28, that Labor Secretary John Dunlop and Atty. Gen. Edward Levi (through his deputy) actually have written "A Memorandum of Understanding."

THERE ARE guidelines for action, even for such details as the decision making process when there's a question of moving in on a civil basis or using a grand jury to obtain information.

Further, there has been considerable reluctance inside the US Labor Department to get into some investigations. Secretary Dunlop hasn't been anxious "to be a cop." And the teamsters are part of the construction trades. Dunlop just isn't investigation oriented. That's not his thing. He's professorial. And when he works at mediating what, industrially speaking, are cataclysmic strikes or budget breaking demands, he operates quietly behind the scenes.

Also, he has said he is loath to try any union in

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Date: 12/26/75

Edition: Final

Author:

Editor: Robert H. Wills

Title:

Character:

or

Classification: 92-171-165

Submitting Office: Milwaukee

☐ Being Investigated

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DEC 26 1975	
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MI only

public." However, without the outcry of the media there would have been no thorough investigation of the powerful accumulation of the Chicago Teamsters pension money which has flowed so easily into strange real state and Las Vegas "investments."

SO IT'S GOOD to see a memorandum of understanding. In addition it will eliminate the traditional bureaucratic rivalries of competing investigating agencies.

Some of the Chicago fund's records already are in federal hands. They've been given a last minute "multi-week" review. And the investigation is underway.

All this is unprecedented. Never has there been so much money handled by a set of trustees — probably now controlling almost \$2.5 billion in pension and welfare funds. Not to my knowledge have loans gone to such way-out characters. Politically powerful men are involved. They reach into high strata of government in many cities, states and even into the federal arena.

So committed now, however, is the massive investigation, so detailed today is it on paper, and so tough and dedicated is the investigatory high command that no new national administration will be able to block it in 1977.

The scandals are expected to simmer slowly. But when they break so will the power of men long unchallenged and untouchable — in and out of labor.

(Mount Clipping in Space Below)

Journal Photo and Caption Were Unfair, Maier Says

A bodyguard tried to shield Mayor Maier's face as a picture was being taken outside the Centre Stage Theater last Sunday because security officers mistook the photographer for a possible assailant, the mayor said in a letter to The Milwaukee Journal's president and publisher.

The photo was taken as Maier was on his way to a Christmas party for officials and stewards of Local 200 of the Teamsters Union.

In an eight page letter to Donald B. Abert, the mayor charged that the picture and inclusion of the words, "mayoral coverup," in the cutlines were a violation of the newspaper's code of ethics.

The security officers, the letter said, "were surprised by the sudden action of the unidentified figure rushing at the mayor and were taking action to protect him against what they believed to be a potential assailant."

"Since the mayor and his officers were fully aware that the newspapers had been notified of his appearance at the

union function, there would be no reason for them to shield the mayor from publicity as was implied by the photograph caption:

"It was nighttime and there was a darting figure and a sudden flash. It is perfectly reasonable, with assassination attempts that have occurred in the world recently, why these officers should have reacted in the manner in which they did."

Lynn Howell, the Journal photographer who took the picture, denied that he had hid

and rushed toward the mayor. He said he had photographed Maier dozens of times and assumed the mayor recognized him as a photographer, particularly since he was holding a camera.

Howell said: "When the mayor moved toward the entrance to the Antlers Hotel to avoid getting his picture taken, I went into the street and around Maier's car to get a good angle. But this was after the mayor started retreating."

"If the police were protecting Maier from an assailant, they wouldn't have done it by holding a notebook in front of his face."

Assails "Tactics"

In his letter, Maier charged that The Journal has "begun in recent weeks your quadrennial attack upon my administration, my reputation and my record for the sole purpose of creating a platform upon which you hope to entice your candidate; and once again, your tactics force me to defend myself."

The mayor said that a recent series of articles on his administration contained errors and omissions. Another article Maier mentioned reported that the same typewriter had apparently been used for both a letter to a Journal reporter from Richard Budelman and a letter to The Journal from a citizens' group that is backing the mayor. Budelman is a member of the mayor's staff.

Ethics Accusation

He had not quarreled with the newspaper in either of these instances, Maier continued, but the photo and article involving his attendance at the Teamsters' party involved "misrepresentation, omission and downright violations of your own code of ethics."

"I am confident that thinking Milwaukeeans will see the stories for what they are: Your quadrennial effort to place a platform under anyone who cares to crawl on."

Five judges, a county supervisor and the head of a state agency also attended the party,

Maier went on, but only the mayor's picture was used and only the mayor was questioned about the presence of "a particular individual."

In answer to a reporter's question, Maier was quoted as saying after the party that Frank Balistreri, reputed underworld leader, was in the lobby but not at the party.

"The placement of the story on Page 1 and the use of pictures of only the mayor is indicative of the fact that The Journal clearly intended this article as a smear against the mayor through the McCarthyist technique of guilt by association," Maier charged.

(Indicate page, name of newspaper, city and state.)

A-1
The Milwaukee Journal
Milwaukee, Wisconsin

Date: 12/20/75

Edition: Latest

Author:

Editor: Richard H Leonard

Title:

Character:

or

Classification: 92-171-168

Submitting Office: Milwaukee

☐ Being Investigated

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DEC 22 1975	
b6 b7C	

MI only

UNITED STATES GOVERNMENT

*Memorandum*TO : SAC **MILWAUKEE** [REDACTED] (P) DATE: **12-31-75**

FROM : SA [REDACTED]

SUBJECT: [REDACTED]

b6
b7C
b7D

Dates of Contact: 12-17-75	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
165-490	[REDACTED]
92-171	CRIMINAL INFLUENCE IN TEAMSTERS LOCAL 200 (c)
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC	<p style="text-align: center;">MI 165-490</p> <p>On 12-17-75, informant advised [REDACTED] is currently exhibiting a great deal of wealth. [REDACTED] has allegedly paid off his debt to [REDACTED] in connection with his gambling losses incurred last year in Las Vegas, Nevada. Informant has heard [REDACTED] is currently involved in bookmaking activities. [REDACTED] who [REDACTED] on [REDACTED] is related to [REDACTED] According to the informant [REDACTED]</p> <p>Informant stated to his knowledge [REDACTED] continues to work on a part time basis as a [REDACTED] at Michael's [REDACTED]</p> <p><input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN</p>
Has informant shown any indication of emotional instability, unreliability or furnishing false information? no	

b6
b7C
b7Db6
b7C
b7D
☒ Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.
Coverage **criminal**

PERSONAL DATA

1 - [REDACTED]
 1 - [REDACTED]
 1 - Each of Above Files
 MGP/emg
 (4)

167

92-171-167

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DEC 31 1975	
[REDACTED] UKEE	



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Restaurant, a pizza place, on 49th and Fond du Lac Avenue.

MI 92-171

On 12-17-75, informant advised he had heard that an attorney by the name of [redacted] carried considerable weight in the Teamsters Local 200 in Milwaukee, Wisconsin. Allegedly, [redacted] has the ability to make the proper contacts within the Union for individuals to obtain loans from the Pension and Welfare Fund of that Union.

b6
b7C
b7D

UNITED STATES GOVERNMENT

Memorandum

TO : SAC MILWAUKEE [REDACTED]

DATE: 1-2-76

FROM : SA [REDACTED]

b6
b7C
b7D

SUBJECT: [REDACTED]

Dates of Contact	
12-31-75	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
92-315	FRANK STELLOH [REDACTED]
92-262	LCN [REDACTED]
165-490	[REDACTED]
94-316	FRANK BALISTRIERI [REDACTED]
92-732	[REDACTED]
182-0	IGB [REDACTED]
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC	Files: 166-890 [REDACTED] 92-171 TEAMSTERS, LOCAL 200 (c) 182-810 [REDACTED]

Source advised that an attorney by the name of [REDACTED] is taking big action at his office which is located at [REDACTED] in Milwaukee. Source advised that [REDACTED] telephone numbers are [REDACTED] and [REDACTED] [REDACTED] supposedly is the owner of an [REDACTED]. Source further advised that last week [REDACTED] had a difficult time paying his bettors and he owes a few of them several thousand dollars. Source advised [REDACTED] allegedly owes [REDACTED].	
<input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN	
Has informant shown any indication of emotional instability, unreliability or furnishing false information? <u>no</u>	
<input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.	Coverage criminal
PERSONAL DATA	

b6
b7C
b7D

1 - [REDACTED]
 1 - [REDACTED]
 1 - Each of Above Files
 REW/cmg
 (11)

92-171-168

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JAN 2 1976	
FBI - MILWAUKEE	

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[REDACTED]

b7D

Source stated that [REDACTED] has been taking action for the [REDACTED] at Libby's Lounge. According to the source, [REDACTED] has a [REDACTED] [REDACTED] in the afternoon; however, most of his time is spent taking action. Source stated that [REDACTED] was not taking any action for the New Years Bowl games because too many Milwaukee bettors were putting their money on Ohio State and Oklahoma and [REDACTED] feels he would not be able to lay off the bets. Source advised that [REDACTED] would be taking action for the games played on Saturday January 3 and Sunday January 4.

Source stated that [REDACTED] who was employed for [REDACTED] while at work and [REDACTED]

b6
b7C
b7D

According to the source, FRANK BALISTRIERI is paying \$68,000 to remodel the Shorecrest Hotel on Prospect Avenue in Milwaukee and he has placed three bars in the Shorecrest that were formerly in the old Kings Four Nightclub. Source stated that [REDACTED]

[REDACTED] and is currently working for BALISTRIERI at the Centre Stage.

Source advised that BALISTRIERI has indicated that he wants to step down as the head of the LCN in Milwaukee and to take a less obvious position within the organization. According to the source BALISTRIERI would like to appoint someone he could trust to be the figurehead while BALISTRIERI would like to continue operating the organization from "back stage". Source stated BALISTRIERI's desire to step down is based on the recent publicity he has received and because he feels that this adverse publicity will reflect on his son's reputation as an attorney.

Source advised he has heard from "Outfit" members that just prior to AUGIE MANIACI's death, [REDACTED] was made a member of the Milwaukee LCN. Source also heard that there is one other new member; however, he is not aware of his identity.

Source advised that most of the Outfit members and associates are very upset with [REDACTED] inasmuch as he has publicly indicated that he "wants to make a deal". Other Outfit members have stated among themselves that BALISTRIERI must have been crazy to accept [REDACTED]



b7D

Source further stated that several of the Milwaukee gamblers meet every afternoon around 4 p.m. at Pitch's Lounge on Humboldt and discuss their betting activities. Source advised that usually the same individuals return to Pitch's in the early morning hours for the same purpose.

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b7C
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Source stated that an individual by the name of [redacted] is collecting a pension from the Teamsters Union and has never worked for the Teamsters. Source has heard that FRANK BALISTRIERI was instrumental in obtaining this pension. Additionally source stated he has also heard that FRANK STELLOH is also receiving a Union pension and has never worked for the Teamsters.

(Mount Clipping in Space Below)

Pressures on Teamsters Union Mount

By David L. Beal
and
Richard L. Kenyon
of The Journal Staff

The clouds of suspicion hanging above the International Brotherhood of Teamsters in Wisconsin and throughout the nation have gotten thicker and darker.

Pressures on the state's and the nation's largest union have been mounting on a number of fronts.

One of the central allegations here and elsewhere is the overriding belief of law enforcement officials and some Teamsters that the Mafia is much too close to the union.

In Wisconsin, several investigators have said that Mafia connections to the Teamsters Union are not only strong, but that Mafia leadership here considers its relationship with the union and Teamster money as its most important business.

The Mafia leadership here — namely the family reputedly headed by Frank P. Balistreri — has a link with the Team-

ster's Union's wealthy Central States, Southeast and Southwest Areas Pension Fund.

Police authorities have investigated Balistreri's ties to the union and the pension fund for some time.

His most widely known tie to the union and the fund is his long, close relationship with Frank H. Ranney, one of the fund's trustees. Ranney, who retired in 1971 from his post as secretary-treasurer of the Teamsters' big Milwaukee unit, Local 200, now lives in Coral Springs, Fla. However, he remained active with the local as a trustee and was paid \$12,910 for 1974, according to the local's annual report that year.

Balistreri has figured in several pension fund deals, completed or proposed, and federal investigators are probing his relationship to the fund, according to sources and public documents.

Over the years, many fund links to the underworld have

surfaced. One of the largest borrowers has been Morris (Moe) Dalitz, long identified by law enforcement authorities as a leader of the Cleveland crime syndicate. Morris dabbled in Las Vegas real estate ventures.

A Chicago underworld figure, the late Felix (Milwaukee Phil) Alderisio, was tied to fund investments in New Mexico. Alderisio, who died in prison in 1972 while serving a term for extortion, was a close associate of Balistreri.

\$7.16 Million Loaned

The pension fund has lent at least \$7.16 million to Wisconsin borrowers over the years.

One accounting of pension fund loans in Wisconsin, obtained by The Milwaukee Journal, showed \$4.25 million outstanding as of Feb. 29, 1972. This amount was broken down as follows: George R. Dreske, a developer from Elm Grove, \$961,000; Dreske-Wakefield, a firm operated by Dreske and a business associate, Kent J. Wakefield of Milwaukee, \$1.28 million; a group holding the balance of a loan made earlier.

(Indicate page, name of newspaper, city and state.)

A-1

The Milwaukee Journal
Milwaukee, Wisconsin

Date: 2/9/76

Edition: Latest

Author:

Editor: Richard H Leonard

Title:

Character:

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Classification:

Submitting Office: Milwaukee

☐ Being Investigated

1-WA-

2-MI-

1-94-316

① 92-171

92-171-169

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b6 b7C	



Thomas J. Duffey

for the Tumble Brook Golf Course near Pewaukee, \$360,000; Schwerman Trucking Co. in Milwaukee, \$1.65 million.

Earlier loans, now paid off, went to Gateway Transportation in La Crosse (\$800,000) and Lowell Hall, a dormitory on the University of Wisconsin — Madison campus (\$1.6 million).

One of the fund's big loans went for a project promoted by Leonard L. Bursten, a former Milwaukeean who was once an assistant US attorney here.

Developers of the project, Beverly Ridge Estates in Los Angeles, borrowed \$13 million in pension fund money from 1964 until 1971, then the fund foreclosed on the property in 1972. Eventually, the fund sold the property to Allen R. Glick, a young businessman now based in Las Vegas, for \$7 million. Glick, who has suddenly emerged in the last year as one of the fund's biggest borrowers, borrowed all of the \$7 million from the fund at 4% annual interest, a rate far below what banks would charge.

Got 15 Years

Bursten was convicted of bankruptcy fraud for his role in the Beverly Ridge project. He was sentenced to 15 years in prison.

Concern about the Teamsters Union and its Central

States Pension Fund is hardly new. Many investigations of the fund were conducted in the 1960s as part of the US Justice Department's broad look at the affairs of former Teamster boss James R. Hoffa, who disappeared last July.

But critics of the fund contend that the probes have had little lasting effect in eliminating shady practices.

The Central States fund is headquartered in a modern, nine-story building in Chicago near O'Hare International Airport. Formed in 1955, the fund now covers close to 30,000 participants in Wisconsin and thousands more in 28 other states. About 1,000 Wisconsin employers contribute to the pension fund on behalf of their Teamster employees. The contribution amounts to a significant employee benefit, one that usually costs employers \$22 a week for each employee.

All this money—about \$400 million annually—goes into a big pool from which eligible pensioners draw their payments. Massive amounts of money remain in the pool for investment after the pensioners deemed eligible are paid.

The fund and its officials have important connections in Wisconsin.

Union Organizer

Hoffa's principal associate in the state was Ranney, who was the Teamsters' general organizer in Wisconsin for years.

Sixteen trustees, half representing employers and half from the union, oversee the fund.

In addition to Ranney, Thomas J. Duffey, a Milwaukee lawyer, is a trustee.

Ranney, who is a union representative, has been a trustee since 1968. Duffey, a former county supervisor, represents the Central States Motor Carriers Employers Conference, an employer group, on the board. He has been a trustee since 1962.

John A. Murphy, an executive at Gateway Transportation in La Crosse, became a trustee shortly after the fund was formed and retired from the fund board recently.

Ranney and Duffey sat on the trustees' six-man committee that approves loans during part of the early 1970s, when some of the fund's most controversial loans were approved.

In a schedule of fund payments filed publicly for the year ended last Jan. 31, Ranney and Duffey received easily the largest amounts of money of any trustees listed. Ranney topped the list with "allowances" of \$59,840 and "expenses" of \$16,520 for total payments of \$76,360. Duffey was a close second with allowances of \$59,684 and expenses of \$11,623 for a total of \$71,307.

Similar Story

A comparable schedule shows a similar story for the previous year. Duffey topped the list then, with total payments of \$69,020. Ranney was second with \$65,100.

Duffey testified at length early last year as a govern-

ment witness in a Chicago trial of pension fund officials and Chicago underworld figures. All the defendants were acquitted.

Ranney has been unavailable for comment, and Duffey has failed to return phone calls from a Milwaukee Journal reporter.

David Previant, a Milwaukee lawyer who specializes in labor litigation, advised Hoffa in setting up the fund's board. His law firm, Goldberg, Previant and Uelmen, received \$458,000 in legal fees from the fund for the five years ended last Jan. 31, according to the fund's annual reports.

Previant said his firm handled cases involving pension eligibility disputes and was the legal arm for the fund in collecting from employers who are delinquent in contributing to the fund.

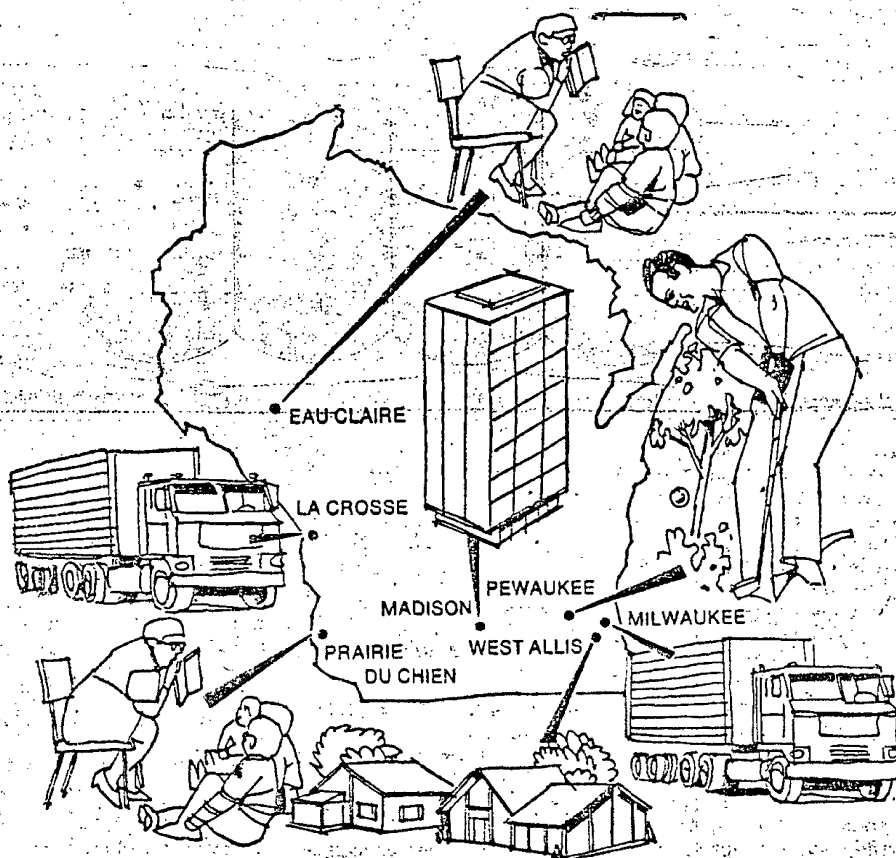
But Previant and others at the law firm said they had no involvement in the fund's investment policies.

Several loans from the fund have gone to Wisconsin borrowers and have been used for projects around the state. Some suggest unusually close ties between Teamster officials and executives at companies organized by and negotiating with the Teamsters.

Schwerman Involved

A case in point is Schwerman Trucking Co. of Milwaukee, which contributes to the pension fund on its employees' behalf and negotiates with the union.

In 1968, Schwerman borrowed \$1.37 million from the



—By a Journal Artist

IN WISCONSIN—Central States Pension Fund Loans have gone for projects ranging from a dormitory at the University of Wisconsin — Madison to a golf course in Waukesha County

and to trucking firms in LaCrosse and Milwaukee. In Prairie du Chien and Eau Claire, loans have gone for child-care centers. In West Allis, money was lent for a housing development.

tate purchased by life company in Wisconsin, Ohio and Georgia for truck terminals.

Both executives described the fund loans as well collateralized, paid on schedule, fair deals and fully legitimate. Schwerman said the company went to the pension fund because terms offered by other lenders required that the lenders end up owning the properties.

"We don't negotiate with the pension fund," Kultgen said. "We negotiate with the Teamsters."

A state official, noting the Schwerman loan three years ago, stated that such loans raised questions of conflict of interest. But the official said the state lacked the manpower to investigate funds based outside Wisconsin. Even great efforts made by the federal government to correct the problems of the Central States Pension Fund have had little apparent result, the official concluded.

Gateway Gets Loan

Another Wisconsin trucking loan went to an affiliate of Gateway Transportation while Murphy was a trustee of the fund. The affiliate borrowed \$800,000 from the fund in 1958. The loan was paid off in 1963.

Ralph James, a professor at Massachusetts Institute of Technology, was given access to scores of the fund's confidential records in the 1960s by Hoffa. James described the Gateway loan as one of the most interesting of the fund's early investments. The loan carried a 5% annual interest

fund at a 7.25% annual interest rate. Two years later, the company borrowed another \$420,000 from the fund at a 9.5% rate.

Schwerman still owes a principal amount of a little less than \$1.3 million on the two loans, both of which are scheduled to be paid off in 1983, ac-

cording to Lee Kultgen, Schwerman treasurer.

Kultgen and Fred Schwerman, president, said the loans were made to finance real es-

rate, the lowest ever charged by the fund from 1956-'62, James said in his book, "Hoffa and the Teamsters."

Overdrive, a trucking magazine that has intensively investigated the fund, reported that several Wisconsin men close to the fund have taken part in golfing events at the luxurious La Costa Country Club, 30



Fred Schwerman

miles north of San Diego. La Costa is financed by the Central States Fund.

Among other participants in the same events: Moe Dalitz, a number of Mafia associates and many men who represent both sides of the bargaining table in the trucking industry.

"The line separating the activities of organized crime and legitimate business frequently becomes blurred," the magazine concluded recently. "But when it comes to making a distinction between organized crime and parts of the trucking industry, the line gets exceedingly thin."

Next — A federal target.

(Mount Clipping in Space Below)

Balistreri Tied to Union Pension Fund

By Richard L. Kenyon
and David L. Beal

(c) The Milwaukee Journal

The Teamsters Union and its wealthy pension fund treasury appear to be among the principal business interests of Frank P. Balistreri and his son, Joseph.

Numerous sources say that Frank P. Balistreri, the reputed head of the Milwaukee underworld, has connections to the union that are intimate, deep-rooted and long time.

These sources say Joseph's involvement with the union and the Pension Fund are less personal and more business-like. He is a lawyer.

Both Balistreris, according to sources, figure in several current investigations into the union's \$1.5 billion Central States, Southeast and Southwest Areas Pension Fund.

Close Friendship

Frank Balistreri's links to the union go back more than 30 years through his close friendship with Frank H. Ranney, retired head of the Milwaukee's Teamster Local 200. Ranney also was an official of the international union and is a trustee of the Central States Pension Fund.

In addition, Ranney has been a member of the committee that oversees loans made by the fund.

Several inquiries into the Balistreri ties to the union as well as the investigations of Pension Fund loans, are underway.

Ranney who now lives in Coral Springs, Fla., could not be reached for comment about the loans.

Motions Filed

St. Louis Atty. Morris Shenker, a frequent borrower from the Pension Fund, is now representing Frank Balistreri.

Shenker is a former lawyer for James R. Hoffa, the one-

time boss of the Teamsters Union who disappeared last July 30. Shenker is the principal owner of the Dunes Hotel in Las Vegas.

Last Thursday, Shenker filed motions on Balistreri's behalf in Federal Court, in an attempt to have Balistreri's convictions on income tax evasion charges set aside.

Balistreri was convicted in 1967 on two counts of tax evasion. The government claimed



Frank P. Balistreri



Joseph P. Balistreri

that he failed to report all of his \$244,964 income between 1954 and 1960 and that he owed back taxes of \$101,144, plus a 50% fraud penalty of \$50,592.

In 1971, Balistreri served 10 months of a year sentence at the federal prison in Sandstone, Minn.

During Balistreri's trial, Ranney testified that he and Balistreri had been friends for more than 30 years.

Ranney, who had been called as a defense witness for Balistreri, testified that he had loaned Balistreri \$18,000 between 1959 and 1965.

Mortgage on Home

Records in Waukesha and Milwaukee County indicated that Ranney held a \$10,000 mortgage on Balistreri's home at 3043 N. Shepard Ave.

Milwaukee City Hall and Milwaukee County records show that the mortgage Ranney held on the property has not been satisfied. If it has, it has not been recorded. The elder Balistreri sold the home to Joseph in 1971 for about \$46,000, records show.

One source said Balistreri's relationship to Ranney became something more than friendship in the mid-1950s when Balistreri apparently interceded on Ranney's behalf and kept him from losing his top position with Local 200.

(Indicate page, name of newspaper, city and state.)

A-1

The Milwaukee Journal
Milwaukee, Wisconsin

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Edition: Latest

Author: Richard H. Leonard

Editor:

Title:

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Submitting Office: Milwaukee

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1-WA-92-3116

1-MI-94-316

MI-92-171

Intervention Reported

The source said former Teamster boss James R. Hoffa was prepared to oust Ranney as head of the union here, but Balistreri prevented it. This could not be confirmed with other sources.

In May, 1970, the federal government alleged in a Los Angeles Court that the relationship between the Balistreris and Ranney was more than friendship.

The government's statement said Ranney had helped the Balistreris obtain a bank loan through his influence with the Teamsters Pension Fund.

The incident referred to by the government started in September, 1968, when Joseph Balistreri reportedly attempted to borrow \$125,000 from the Continental Bank and Trust Co. of Milwaukee. The loan request was turned down.

On Sept. 10, 1968, a deposit of \$500,000 cash from the Central States Pension Fund was made in the bank. On the same day, the bank loaned Joseph Balistreri \$125,000. Two weeks later, the bank made an additional loan of \$63,000 to Joseph, sources said.

A US attorney in Los Angeles said in May, 1970, that the loans to Joseph Balistreri were made after Ranney told the bank that "a large deposit of Teamster pension funds would be available if the bank, in turn, granted a loan to Frank Balistreri through his son, Joseph."

The government attorney said Joseph Balistreri was used as a cover to conceal his father's interest in various financial transactions.

Influence Denied

Shortly after the statements were made in the Los Angeles court, Ranney denied that he had influenced the bank to lend money to Joseph Balistreri.

Ranney said the Pension Fund used only sound business reasons, supported by accountants and appraisers, in determining which banks to use for its funds and investments.

He said his long friendship with the Balistreri family had nothing to do with the pension funds and that "no loan from the fund has ever been made to any Balistreri."

Trial of Lococo

The US attorney made the statements during the trial of former Milwaukeean Andrew J. Lococo. Lococo, who police officials said was organized crime's major link between gambling in Los Angeles and Milwaukee, died in prison in 1974 while serving a term for lying to a federal grand jury.

The government alleged that the relationship between Lococo and Frank Balistreri was "an extremely close one involving numerous financial ties."

Lococo was seeking to use Frank Balistreri's influence to obtain Teamster financing, the government claimed, to expand his Cockatoo Restaurant and Hotel in Hawthorne, Calif., and to help finance the building of a \$3.8 million tuna boat in Sturgeon Bay.

Lococo reportedly obtained loans totaling \$2.5 million from the Pension Fund.

Lawsuit Filed

A year ago, Joseph Balistreri filed a lawsuit in Los Angeles claiming that Lococo owed him \$225,000 for arranging the \$2.5 million loans from the Central States Pension Fund.

In the papers filed in court, an agreement signed by Lococo and Balistreri stated:

"... whereas through the efforts and endeavors of Joseph P. Balistreri a loan is secured from the Central States, Southeast and Southwest Areas Pension Fund for Lococo, that party thereby agrees ... to pay to Balistreri an amount equal to 10% of the gross amount of the loan so secured."

Balistreri claimed in the court papers that Lococo paid him \$25,000 before he died and that the rest of the money was due from his estate.

Another Connection

Another of the reported Balistreri connections to the Pension Fund involves Allen R. Glick of Las Vegas, Nev., who, at 33, is the largest borrower from the Pension Fund.

According to various sources, Glick has borrowed an estimated \$160 million from the fund, much of it being used to purchase four Las Vegas casinos and three hotels.

Investigators probing Glick's loans from the Teamsters fund have focused some of their attention on Frank Balistreri, who is believed to have assisted Glick in obtaining fund money.

Glick reportedly also is involved in another pension fund loan of \$15.6 million.

Frank Balistreri has been named as head of Milwaukee's Mafia in magazine articles, police reports, on the US Senate floor and in investigative documents.

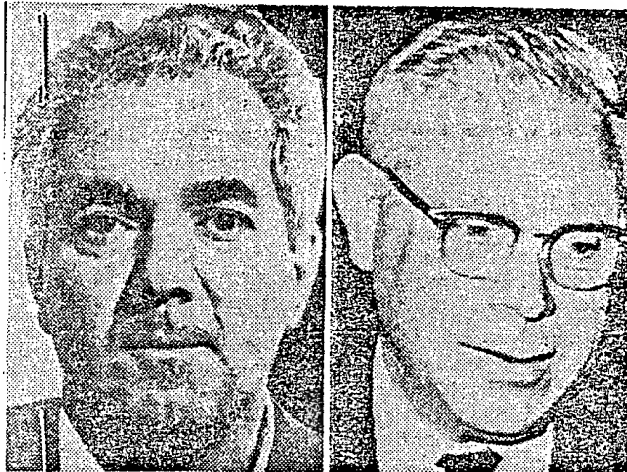
Federal Report

In a federal Justice Department report, it was stated that Balistreri took his orders from the late Felix (Milwaukee Phil) Alderisio, a Chicago racketeer who died in prison in 1972 while serving a sentence for transmitting murderous threats in interstate commerce.

Sources said Alderisio, who was named Milwaukee Phil because of his frequent visits here and reported affection for the city, was the godfather of Joseph Balistreri.

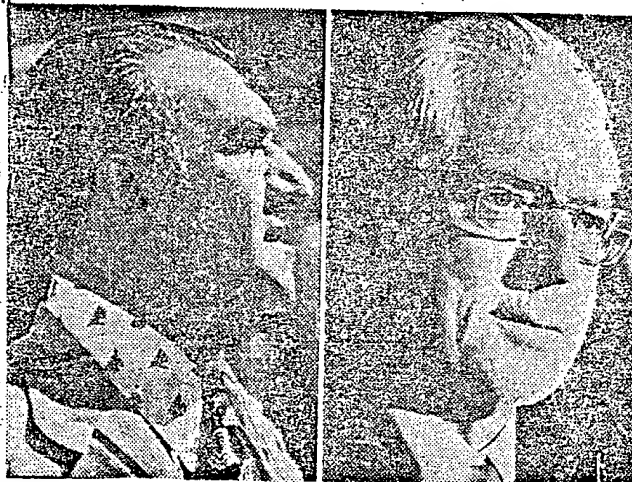
The report included that: "Balistreri's relationship to Alderisio was recently confirmed in a petition to the US Supreme Court on Balistreri's behalf. In it, attorney Edward Bennett Williams disclosed that Alderisio admitted Balistreri has been a frequent visitor to premises used by Alderisio...."

Alderisio was described in a Chicago federal court last year as having engineered a \$1.4 million pension fund fraud. Alderisio died before he could be brought to trial. The seven defendants who were tried were acquitted.



Felix Alderiso

Morris Shenker



Andrew Lococo

Frank Ranney

(Mount Clipping in Space Below)

Union Fund Comes Under Investigation

By Richard L. Kenyon
and David L. Beal

(The Milwaukee Journal)

The Teamsters' Union Central States Pension Fund has emerged as the target of a major federal investigation.

The probe comes in the wake of demands by Sen. Harrison A. Williams (D-N.J.), chairman of the Senate Committee on Labor and Public Welfare, and Sen. Jacob Javits (R-N.Y.), ranking minority member on the committee.

The two senators were prompted by the mysterious disappearance of former Teamster boss James R. Hoffa and by a wide variety of new allegations questioning the fund's practices.

The fund was set up and developed as Hoffa's financial power base.

Agreement Reached

Last fall, Williams and Javits questioned whether U.S. agencies, particularly the U.S.

Labor Department, have the resources or the will to proceed with a serious investigation of the fund. They urged a sweeping probe of it as a crucial test of the effectiveness of the Pension Reform Act.



James R. Hoffa

passed two years ago after extensive hearings by their committee.

Their demands led to a written understanding, announced in December, between officials of the U.S. Justice and Labor Departments to investigate the fund.

The agreement created a task force of 25 specialists—auditors, accountants, lawyers and others—with a mandate to audit the fund's investment and benefit policies. The task force also will co-ordinate government strategies for evidence gathering in an attempt to avoid the confusion of bureaucracy that sometimes impede interagency government investigations.

17 Indictments

Those familiar with the fund generally agree that the agreement is a big step toward unraveling the intrigue that surrounds the fund, but the audit is expected to be a complex, lengthy undertaking.

The federal investigators are expected to take a more sophisticated look at ground covered during 1972-74 by the Internal Revenue Service and the

U.S. Justice Department in a special probe called the "National Office Pension Trust Funds Project."

The earlier investigation was called to pursue allegations of illegal finders' fees and kickbacks resulting from the fund's loans. An IRS report dated Oct. 4, 1974, says the project led to proposed tax assessments of \$35.2 million and 17 indictments, including three of widely known Chicago underworld figures and two of gambling casino owners in Las Vegas, Nev.

Dan McGill, chairman of the Insurance Department at the University of Pennsylvania's Wharton School of Finance and the head of a committee that advises the federal government on the new pension law, describes the Central States fund's investment policies as perhaps the most unusual of any of the country's large pension funds.

Heavy in Real Estate

The fund's latest annual report says \$981.6 million, or 73% of its total assets of \$1.34 billion was in real estate investments a year ago. The figure for other big pension funds averages about 5%, according to the U.S. Securities & Exchange Commission.

"I don't think there's any question but that they've been out of line in their investment policy," McGill said of the fund's trustees.

McGill added that even a financial officer of the Teamsters Union was taken aback last summer when he learned of some of the fund's investment practices.

The new pension reform law tightens fiduciary standards, making pension fund trustees more responsible for their actions. Javits minces few words on how the tightening came about.

"It's no secret that one of the primary reasons for enacting federal fiduciary standards was to provide a more ade-

(Indicate page, name of newspaper, city and state.)

A-1

The Milwaukee Journal
Milwaukee, Wisconsin

2/10/76

Date: Latest

Edition:

Author: Richard H. Leonard

Title:

Character:

or

Classification: Milwaukee

Submitting Office:

☐ Being Investigated

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FEB 11 1976	
b6 b7C	

MI only

quate basis for dealing with the long history of abuses in the Central States fund," he told a group of officials of employee benefit plans recently. "I ought to know, since I introduced the first fiduciary bill in the Congress back in 1966."

Many Loans Delinquent

Michael Gordon, a pension specialist with the Senate Labor and Public Welfare Committee, said the most serious allegations about the Central States fund had to do with its investment practices.

Gordon cited the Hoffa disappearance and allegations published last July by the Wall Street Journal as particularly important in bringing about the new probe.

In a series of articles, the publication described instances of pension fund dealings with Mafia figures and said confidential fund records from 1972 showed as delinquent the real-estate deals accounting for at least 30% of the fund's mortgage loans. That predates the wave of

other effect in bringing reform at the fund. Sources familiar with the fund believe trustees are stepping back from their heavy involvement in real estate and controversial speculative loans.

However, Gordon noted many of the fund's most questionable loans, made years ago, remain on the books today. Some of these loans may be illegal under provisions of the new pension law, Gordon said.

Allegations also abound that the Central States fund unfairly denies pensions to many Teamsters. But Gordon said he was less concerned about these charges than about the fund's investment policies.

The same rules that deny benefits to Teamsters have been common at many funds, at least before the liberalized benefit provisions of the new pension law, Gordon said. What is unique about Central States, he said, is that money contributed to the fund on behalf of participants who end up getting no pensions goes

into questionable, high-risk ventures—gambling, casinos, highly speculative real estate deals, businesses with underworld ties.

problem real estate loans encountered by many big lenders.

"There's no question at all that there's a relationship with the mob in the Central States Pension Fund," Gordon said. "The critical question is the extent of it."

Investigators will try to learn the extent by seeking out Mafia involvement in finders' fees, insurance consulting work and some of the businesses that get fund loans, Gordon said.

Many Loans Questionable

The Pension Reform Act has already led to at least one visible change at the fund. The law bars convicted felons from sitting as trustees. Thus the Central States fund was forced to remove from its board William Presser, an Ohio Teamsters Union official convicted of misuse of union money.

Presser was replaced by his son, Jackie Presser, also an Ohio Teamster official.

The law appears to have an

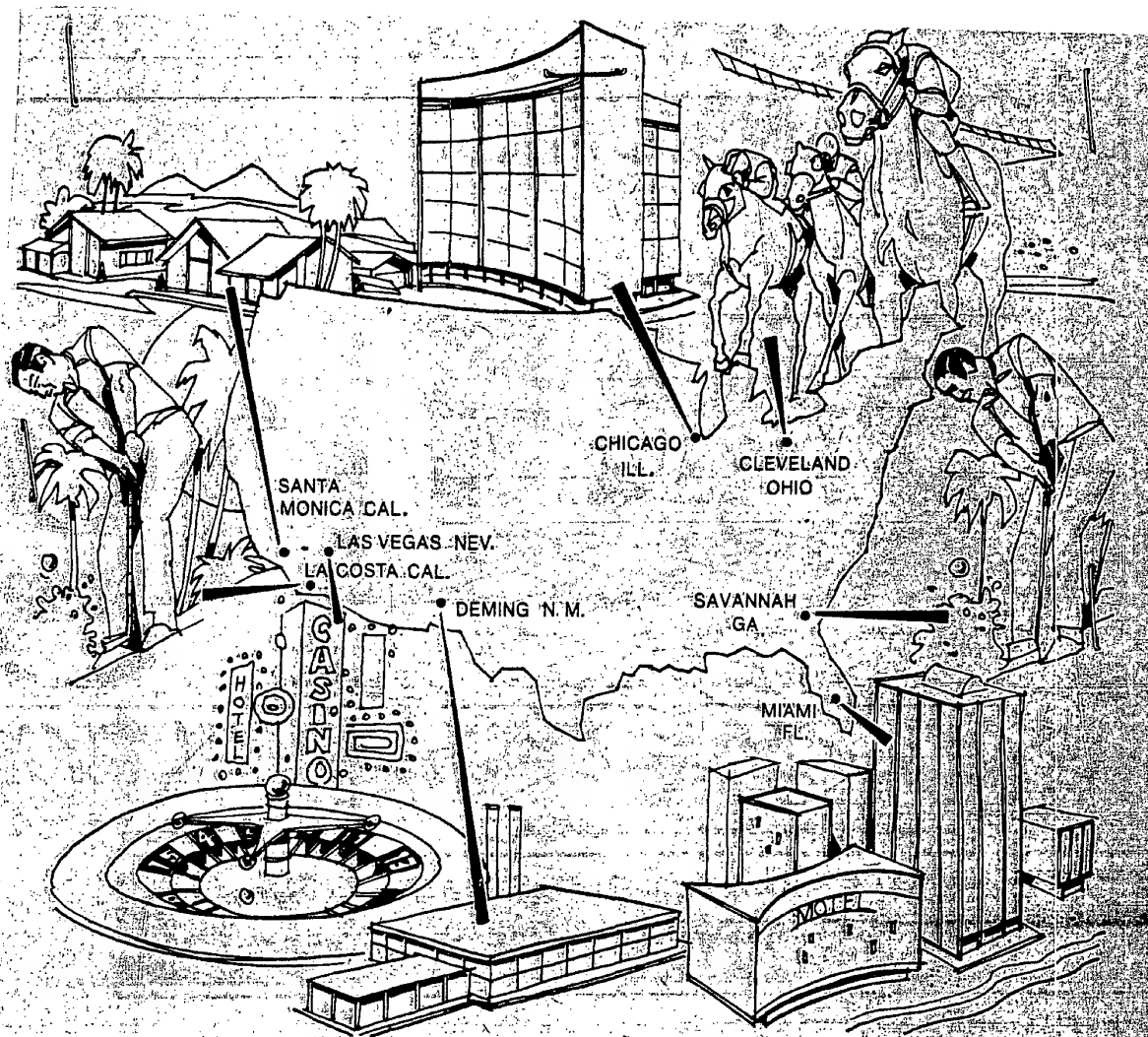
into questionable, high-risk ventures—gambling, casinos, highly speculative real estate deals, businesses with underworld ties.

"What these men (Teamsters denied pension benefits) are really saying is that they've been shafted out of a pension, but I could tolerate that if the fund were run more on an up and up basis," Gordon said.

Gordon also said there had been almost no response from fund officials to serious charges about their investment policies.

Thomas J. Duffey, a Milwaukee lawyer and a fund trustee, and other fund officials, have defended the fund's performance, claiming its return on investment is better than that of other big pension funds, but Gordon questions their contention.

"Nobody has been able to answer the question of how well they are doing," Gordon said.



By a Journal Artist

DIVERSE HOLDINGS — This map illustrates the diversity of the huge real estate investment portfolio belonging to the Central States Pension Fund of the Teamsters' Union. Loans range from those made for

golf courses in California and Georgia, a race track in Cleveland and housing in California to a factory in New Mexico, hotels and motels around Miami and gambling casinos in Las Vegas.

(Mount Clipping in Space Below)

Teamsters' Pension Fund Puts a Lot Into Gambling

By David L. Beal
of The Journal Staff

The Teamsters Union Central States Pension Fund has invested heavily in gambling enterprises and risky real estate ventures to a degree al-

most unheard of for a large pension fund, the Scripps-Howard News Service has reported.

The news service based its conclusions on an examination of the fund's loan portfolio for the year ended Jan. 31, 1975.

The Central States fund is the target of a special investigation by a task force from the US Departments of Labor and Justice and the Internal Revenue Service.

Last week, The Milwaukee Journal ran a series of stories, describing the controversy surrounding the fund. Last month, an Oklahoma City newspaper, the Daily Oklahoman, ran a list of fund loans, but the list was compiled as of Feb. 29, 1972.

Officials Silent

"The Central States Pension Fund has a longstanding policy of not commenting to reporters," the Scripps-Howard report said. "Efforts to obtain an interview with senior fund officials were unsuccessful."

Last month, when a Journal reporter asked a fund official for comment on the fund's investment practices, he was told that fund officials were planning to call a press conference sometime in February or March.

Private Portfolio

Scripps-Howard quoted a pension expert as saying that the fund's heavy investment in real estate loans — nearly 75% of fund assets — was "almost unique" among pension funds. "I know of none other like that," the expert said.

The news service noted that the loan portfolio has been kept from the public because of what fund officials believe is "an overriding need for protection of the beneficiaries and participants in the fund." Thus, Scripps-Howard said, the fund recently won a court order shielding the loan list from public inspection.

Among the points made in the Scripps-Howard story:

The largest fund borrowers are developers of Penasquitos, a San Diego real estate project, \$181.2 million, companies owned by Allen R. Glick, a West Coast financier with large casino holdings, at least \$100 million.

Others are Rancho La Costa, a luxurious resort near San Diego, \$62 million; McCormick City Ltd., a Chicago redevelopment project near the McCormick Place Convention Center, \$31 million; Telesis Corp., a nine state cable television company based in Evansville, Ind., \$28.1 million; the Circus Circus, a big Las Vegas hotel and casino, \$26 million.

Fund holdings include a lot valued at \$869,000.

The composition of the portfolio indicates that the fund's 16 trustees "follow no coherent investment policy."

No significant real estate loans have been made since Jan. 1, 1975, due to uncertainty about the new Pension Reform Act.

The fund earned \$51 million on investments of \$1.28 billion during the year ended Jan. 31, 1975, a 4% rate of return.

"By comparison, the least advantageous savings account in a commercial bank pays 4.5% and the top rate to a small investor on a certificate of deposit is 7.5%," the story said. "The US Pension Benefit Guarantee Corp., which by law may invest only in generally low paying US Treasury notes, earns 7.5% on its money."

Among the fund's assets, according to Scripps-Howard, are millions of dollars worth of enterprises now broke. Loans of \$1 million aren't paying interest.

The primary reason the fund

remains in the black despite its dubious investment practices is the huge amount of money employers contribute to the fund on behalf of union members, the story said. During the year ended Jan. 31, 1975, these contributions amounted to \$281 million.

\$185 Million in Nevada

More than \$185 million in fund money is invested in Nevada, mostly in Las Vegas casinos, Scripps-Howard reported. In addition to the Circus Circus, it said, the fund has Nevada investments in the Aladdin, Fremont, Dunes, Desert Inn, Hacienda, Stardust, Carousel and Kings Castle Hotels.

Other gambling enterprises with fund loans include River Downs in Cincinnati, Pocono Downs in Wilkes-Barre, Pa., a dog track in Pensacola, Fla., and jai alai fronton in Bridgeport, Conn., the story said.

The portfolio also was said to include 93 loans for under \$50,000 each to unidentified companies and individuals. "Loans so small are generally considered uneconomic for a

fund so large to write," the story said.

The Scripps-Howard story also said the fund's assets might be overstated.

(Indicate page, name of newspaper, city and state.)

B-3

The Milwaukee Journal
Milwaukee, Wisconsin

2/15/76

Date: Latest

Edition:

Author: Richard H. Leona

Editor:

Title:

Character:

or

Classification:

Submitting Office: Milwaukee

☐ Being Investigated

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SEARCHED	INDEXED
SERIALIZED	FILED
FEB 17 1976	
FBI-MILWAUKEE	

1-WA

MI-92-171

UNITED STATES GOVERNMENT

Memorandum

TO : SAC [REDACTED] (P)

DATE: 6-8-76

FROM : SA [REDACTED]

b6
b7C
b7D

SUBJECT: [REDACTED]

Dates of Contact	
5-26-76	
File #s on which contacted (Use Titles if File #s not available or when CI provides positive information)	
165-490	[REDACTED] (c)
92-1479	[REDACTED] (c)
94-316	FRANK DALISTIERI [REDACTED]
92-171	TEENAGERS, LOCAL 200 (c)
Purpose and results of contact	
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC	RE 165-490 RE 92-1479 Source advised [REDACTED] has been holding large stakes poker games every Tuesday night since the winding down of basketball season. Source stated [REDACTED] has been attending the poker games and source does not believe that [REDACTED] has a part of the game. Source advised the game normally moves on a weekly basis and is held above numerous taverns on the east side. Source advised most of the players lose heavily and [REDACTED] seems to be the boss at each game. Source will attempt to identify the next weekly game and will also attempt to attend the game. FOIA/PA DO NOT DESTROY SERIAL 174 PRIOR TO 3-99 <input type="checkbox"/> POSITIVE ASSIGNMENT GIVEN Has informant shown any indication of emotional instability, unreliability or furnishing false information? NO <input checked="" type="checkbox"/> Informant certified that he has furnished all information obtained by him since last contact, including information concerning narcotics.
PERSONAL DATA	Coverage criminal

b6
b7C
b7D

1 - [REDACTED]
 1 - [REDACTED]
 1 - Each File Above
 RJI/cmg
 (c)

92-171-124

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 8 1976 b7D	
FBI - MILWAUKEE	

MI 94-316
MI 92-171

94-316I
Handwritten notes: 3/6-1343, Destroyed

Source advised FRANK BALISTRIERI obtained a large Teamsters loan in order to open the Shorecrest Hotel, and the Teamsters paid for redecorating at the Casino Stage. Source indicated BALISTRIERI appears to be able to obtain Teamster loans whenever he wants to do remodeling or purchasing of any additional holding. Source believes BALISTRIERI goes through his son JOEY in order to obtain the loans and does not put any of the loan information in his name. Source is attempting to ascertain additional details in regard to how the BALISTRIERIs are able to manipulate the Teamsters Pension Fund.

Handwritten note: 105-3562

(Mount Clipping in Space Below)

Teamsters Buy Dreske Property

The Teamsters Union's Central States Pension Fund purchased four parcels of land owned by George R. Dreske for \$1,341,566 at a sheriff's sale here Monday.

Thomas J. Duffey, a Milwaukee lawyer who is a trustee for the pension fund, submitted the only bid for the vacant parcels, which are in West Allis and Brookfield.

The pension fund obtained a judgment in 1974 against Dreske for that amount after Dreske defaulted on mortgages the fund held on the property.

Dreske is the owner of Clinicare Corp., which operates child care institutions at Eau Claire and Prairie du Chien. The pension fund still holds mortgages on the institutions.

(Indicate page, name of newspaper, city and state.)

A-12
MILWAUKEE SENTINEL
MILWAUKEE, WISCONSIN

Date: 5/18/76

Edition: FINAL

Author:

Editor: ROBERT H. WILLS

Title:

Character:

or

Classification:

Submitting Office: MILWAUKEE

☐ Being Investigated

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165-15

156-15

92-171

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 2 1976	
FBI - MILWAUKEE	

(Mount Clipping in Space Below)

Teamster pension fund scrutiny

In this issue The Tribune's Task Force concludes a five-part series on the Central States, Southeast and Southwest Areas Pension Fund of the Teamsters union. These articles have detailed numerous investments of money collected from the employers of rank-and-file union members. This fund has 485,000 potential beneficiaries, who hope to derive retirement income from \$1.4 billion of nominal assets.

The first article in the series stated in general terms findings of long investigation by George Bliss and Chuck Neubauer of our Task Force. One summary sentence stated: "The investigation shows conclusively that in Illinois, as elsewhere, the pension fund has lost millions over the years in serving as the banker for persons who cannot get loans elsewhere."

Trustees of other people's money cannot be expected to be successful in every investment decision, but the prudence reasonably expected of trustees has been spectacularly lacking in the handling of Central States money. We have reported in detail one venture after another into real estate of "the riskiest types," one loan after another to borrowers who could find little if any credit except among their buddies among handlers of union money. Our Task Force reports strongly bring into question, for instance, any thought that union members got full value for the \$21.5 million paid in the last nine years to Allen Dorfman, influential participant in pension fund decisions.

Members of many unions have tolerated undemocratic and arbitrary government of their unions by a handful of self-perpetuating officers. The typical member has complacently assumed that as long as the union got him ever higher pay he had nothing to worry about. This attitude obviously is irresponsible towards the public and towards employers. But many a member has been unconcerned about what the union did as long as he got his.

Our Task Force study of the Central States pension fund should, however, undermine such complacency. Union officials responsible to no one do not necessarily make the best trustees of pension funds on which union members rely for future income. The sour investments detailed in our series suggest that among the victims of Teamster officials may be the very union members who have been indifferent to what their officials did.

The federal departments of both Jus-

tice and Labor have also been investigating the Central States pension fund. Their findings are not expected for some months. When the findings of fact are in hand, there will still be some questions about the powers of the federal government over pension funds, as new legislation in force less than a year has not yet been fully interpreted by the courts. Clearly, government should vigorously prosecute whatever criminal misconduct is discovered.

But irresponsible union officials should fear their own membership as well as government. It is past high time that union members insist on genuinely contested elections to union office, and on accountability from their officials. Sometime, we hope, monarchical conduct by union officials will cease to be tolerated by union members. Our Task Force report on the Central States pension fund should contribute substantially to this change for the better.

(Indicate page, name of newspaper, city and state.)

Chicago Tribune

Date: 8-3-76
Edition: Midwest
Author: Editorial
Editor: Clayton Kirkpatrick

Title:
Teamster pension fund scrutiny

Character:
or 92-171-176
Classification:
Submitting Office: 176
☐ Being Investigated

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Risky Teamster loans often given to cronies

Task force report

The Teamster union's Central States pension fund—with assets of \$1.4 billion—is the largest union-operated pension fund in the country. Two recent federal crackdowns also have made it the most controversial. The fund's tangled financial dealings in the Chicago area have been investigated by Chuck Neubauer and George Bliss, Tribune reporters, for three months. This is their final report in a series written by Todd Fandell, Tribune financial reporter.

WHEN MELVIN Woldorf and Maurice Kay bought a \$43,000 condominium in Florida in 1971, they obtained it from their friend Allen Dorfman, who just happened to have one for sale in a North Miami Beach development he was promoting.

That Woldorf and Kay, co-owners at the time of a Skokie car dealership, should be dealing with Dorfman was perfectly normal and proper, all three men say.

But other businessmen might not agree. That's because just a few months before the condominium transaction, Dorfman, then a \$60,000-a-year consultant to the big Central States Pension Fund of the International Brotherhood of Teamsters, had processed a \$650,000 loan from the fund that bailed his two friends out of a serious financial jam.

DORFMAN LONG ago pocketed the benefits of his dealings with Woldorf and

Kay. The 485,000 beneficiaries of the pension fund are still waiting. The fund's \$650,000 loan, along with two others it gave Woldorf and Kay, is under a moratorium on principal payments and is not being repaid.

That persons getting loans from the \$1.4-billion fund should end up doing some personal business on the side with Dorfman is not the least bit unusual.

(Indicate page, name of newspaper, city and state.)

Chicago Tribune

Date: 8-3-76

Edition: Midwest

Author: Chuck Neubauer &

Editor: George Bliss

Title: Clayton Kirkpatrick

Risky Teamster loans
often given to cronies

Character:

or

92-171-177

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Submitting Office:

☐ Being Investigated

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Bad Teamster loans often given to cronies

however. Throughout most of the 21-year history of the fund that's the way it's been done.

A long Tribune investigation of the controversial fund's peculiar loaning practices has turned up numerous examples that indicate transactions of the fund generally involved a high degree of cronyism. Borrowers from the fund, Dorfman, trustees of the fund, and others

closely associated with it have been deeply enmeshed in personal business transactions that were closely related to official fund business.

WHERE THE fund is concerned, friendship with principals regularly replaced normal criteria for determining the soundness of a loan. As a result, millions of dollars of trucking employees' pension money has been lost or jeopardized by risky and bad loans extended to motels, hotels, gambling casinos, real estate developments, and other businesses with shaky outlooks.

Allegations that the pension fund's administrators have played free and easy with the vast sums entrusted to their care are at the heart of current federal investigations of the fund, known formally as the Central States, South-east, and Southwest Areas Pension Fund.

The story of the Woldorf-Kay dealings

with the Teamster fund begins in October, 1967, when the two received their first loan from the fund, also \$650,000, secured by the car dealership, Public Pontiac, and newly built office space at 3120-60 W. Ogden Av.

"I just don't remember how we got involved with the fund," Woldorf says now. "I know a lot of people that know other people at the fund."

HOWEVER, IN a court deposition Woldorf has said his "initial contact" at the fund was Dorfman, whom he had known previously.

"I've found Mr. Dorfman to be a first-class gentleman," Kay says. He said he first met Dorfman after filing of the first loan application with the fund.

"I've sold his family cars and leased cars to his insurance agency," Kay said. "His Amalgamated Insurance Agency is a very good customer."

Amalgamated is one of several firms Dorfman operates primarily to do business servicing Teamster funds. He has collected more than \$21.5 million in fees and commissions from such business in the last nine years.

Ten months after getting the first loan, Kay and Woldorf agreed to purchase for \$1.1 million the real estate, personal property, and accounts receivable.

Continued on page 7, col. 1

Continued from page one

bill of Peter Epsteen Pontiac, 7501 N. Lincoln Av., Skokie.

We had a marvelous business on Ogden until the riots began on the West Side," Kay said. They moved Public Pontiac to the Skokie location.

TERMS OF THE Epsteen purchase gave the partners 18 months to come up with \$620,000 to be applied to the purchase of the real estate portion of the package.

But the two defaulted on the due date [March 6, 1970], blaming among other things, the general nonavailability of mortgage financing, the rise in interest rates, and the general decline in the new and used automobile business.

A new sales agreement was reached but Kay and Woldorf defaulted again, the matter ending up in court with the sellers trying to gain an eviction and the buyers charging the profitability and assets of the purchased Peter Epsteen dealership were misrepresented.

Kay and Woldorf charged, among other things, that the net operating profits of Peter Epsteen Pontiac had been represented as being \$367,265 in 1967 and \$137,921 in the following seven months, when in fact they were less than \$25,000 and \$20,000, respectively.

REACHED AT A Las Vegas hotel, Epsteen, who has moved to the West Coast, told The Tribune "there was nothing to any of those claims."

Epsteen drew criticism in 1968 from the Chicago Crime Commission for his alleged association with hoodlums. Also he is an associate of Harold Gibbons, a Teamster vice president and head of the union's St. Louis operations who once was regarded as the likely heir to Jimmy Hoffa as international president.

In the middle of the litigation fight, Kay and Woldorf suddenly came up with a letter of commitment from the Teamster pension fund for a \$650,000 loan at 9.5 per cent interest over 20 years to cover the remaining purchase price. The court suits were dropped and the deal completed in December, 1970.

FOUR MONTHS later, Kay and Woldorf bought their condominium in the Canongate Apartments in North Miami Beach from American & Overseas Inc. according to Dade [Fla.] County records. American & Overseas is a Dorfman-controlled company operating out of his office in the Teamster pension fund building at 3550 W. Bryn Mawr Av., Chicago, near O'Hare International Airport.

"I was involved in Canongate," Dorfman said in an interview.

Dorfman and several of his Teamster cronies developed Canongate, a 137-unit project that Dorfman modestly calls "the most beautiful apartments ever built in Florida."

Dorfman, Kay, and Woldorf all denied the condominium purchase was related to the fund's granting of the bail-out loan for Public Pontiac.

"I know the timing sounds bad but it wasn't anything like that," Kay said.

WHAT PATHETIC thinking, Dorfman said, contending that he couldn't have been forcing loan recipients into dealing with his own development because owners of Canongate condominiums who have resold them have doubled their money.

Woldorf said the condominium was purchased through Al Baron, not Dorfman. He said he had heard about the condominium "from many people" and went down to Florida to look at it. "I like it," he said. "I like to golf."

The condominium is located on the grounds of Sky Lakes Country Club, which was financed with Central States pension fund money.

Baron at the time was a pension fund lawyer involved in processing loan applications. He had helped with the Kay-Woldorf applications. After Dorfman was convicted in February, 1972, of accepting a \$50,000 kickback in return for arranging a pension fund loan, Baron took over as the man in charge of the fund's assets and loan processing.

Baron left the fund in March of last year. A federal grand jury reportedly is investigating charges by a California businessman that he had to pay Baron \$200,000 in kickbacks to get a \$1.3-million pension fund loan.

BARON HAS BEEN a protégé of Dorfman's involved in many of Dorfman's business deals. He served as a director of Dorfman's Amalgamated Insurance Service Agency Inc. for years.

Two more Dorfman associates who helped develop Canongate were Cal Koven and Zachary Strate, both of whom were convicted along with Hoffa in 1964 on charges of diverting more than \$2 million from the pension fund.

Other Canongate condominium owners have included Frank Fitzsimmons, Teamster international president, and William Presser, a pension fund trustee who returned to the board earlier this

year after being forced to step out temporarily because of a previous criminal conviction.

"I never met Presser but I think Woldorf once rented him a car," Kay told The Tribune. "But you are wrong if you are under the impression that there was any hanky-panky. There never was any kind of payoff or finders fees for us getting the Teamster loans. And you're not the first to ask those questions."

The IRS, Internal Revenue Service, asked questions too.

AFTER MOVING to the Skokie location, Public Pontiac ran into hard times. In 1974, Kay bought out Woldorf's interest in the auto agency, and Woldorf got the condominium.

Last October, Kay asked for and received from the fund a two-year moratorium on principal payments on the 1970 loan and a subsequent \$225,000 loan granted in 1973.

"I was doing very poorly when I asked them to suspend payments," Kay said. "We bought a great big white elephant. I've often regretted we made the move we did."

He blamed the Arab oil embargo and decline of Pontiac's position in the car industry. "In 18 months my business dropped in half," he said. Public Pontiac last year listed an accumulated operating deficit of \$316,000. At the time of the moratorium, Kay owed \$799,768 in principal on the Skokie property.

THE FIRM'S troubles should not have been too surprising to the lenders. Loans on car dealerships are considered high risks by more typical lending institutions because the facilities usually cannot be used for other purposes and because year-to-year fluctuations in business volumes for individual dealers can vary widely.

Last January, Kay sold the business to another dealer, retaining the real estate that secures his Teamster loan. The property is worth considerably more than what they loaned me," he said.

Meanwhile, things have not gone well for the original Kay-Woldorf loan on their old Ogden Avenue location. Another car dealer to whom they leased the property abandoned it in 1971. In July, 1972, a fire burned most of the facility.

Kay and Woldorf have gone to court in an attempt to collect their full \$358,538 insurance claim in the property. Their insurance company paid only \$177,937, contending the full claim was substantially in excess of the actual loss sustained.

The insurance money went to the pension fund, which still is owed at least \$200,000 on the property.

ANOTHER FRIEND of the Teamsters, Chicagoan Perry Franks, has been involved in two deals that were hatched on golf courses.

Franks said he took over a small shopping center in Mesa, Ariz., from the fund after golfing with Fitzsimmons in 1970.

"He told me the Teamster pension fund had a bad investment in Mesa and asked if I would take it over," Franks told The Tribune. "I didn't make anything out of it. It was a small project, small stores. But I made it turn around and now it is a viable project — not making a lot of money but at least it is paying its mortgage."

Franks used the property itself as his security for a \$615,000 loan from the Teamster fund to pay for the purchase on which the fund previously had foreclosed. The fund renegotiated the deal at least once, Franks said he's no longer involved.

FRANKS SAID another golf date with Jay Sarno, owner of the Circus Circus casino in Las Vegas, led to his taking over the pin ball machine room and bumper car ride concessions in the casino, which has \$22 million in outstanding Teamster loans.

Dorfman apparently has done business with Sarno as well. In 1968 Dorfman reportedly got an option to buy 6.3 per cent. of the Circus Circus stock for \$75,000 with an arrangement that the purchase price be paid entirely from dividends on the stock.

Dorfman and Franks are old friends. In 1967, the two were driving to a golf course when two gunmen fired four shotgun blasts into Franks' car as they were leaving Dorfman's Riverwoods home in north suburban Chicago.

Justice Department sources believe Dorfman was shot at by crime syndicate figures "to keep in him in line."

"I almost lost my life," Franks said. "It cost me a new car and it was an embarrassment. The IRS and others have been on my back ever since. It's harassment and I resent it."

Asked about the propriety of the pension fund's business dealings with his friend Franks, Dorfman said: "So what if I have the availability of a friend to take over a bad loan. What's wrong with it?"

(Mount Clipping in Space Below)

Bad loans draining Teamster fund

Task force report

The Teamsters union's Central States pension fund — with assets of \$1.4 billion — is the richest union pension fund in the country. Two recent federal crackdowns have made it also the most controversial. The fund's tangled financial dealings in the Chicago area have been investigated by Chuck Neubauer and George Bliss, Tribune reporters, for three months. This is their first report in a five-part series written by Todd Fandell, Tribune financial reporter.

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By Chuck Neubauer
and George Bliss

DANIEL J. SHANNON suddenly has grown fond of painting a picture of reform for the scandal-ridden Teamsters union's Central States, Southeast, and Southwest Areas Pension Fund.

"Forget the past," Shannon, executive director of the huge fund, has been telling every reporter willing to listen.

"Sure, the fund made mistakes back in history, but all that has changed now," said the former president of the Chicago Park District and one-time political protege of Mayor Daley.

Coming from the 42-year-old former "All-American football star" at Notre Dame, the pious pronouncements have been an effective public relations move. They are a radical departure from a 21-year tradition in which Teamsters offi-

cials refused to discuss any specifics regarding the pension fund's peculiar affairs.

BUT AN INTENSIVE three-month Tribune investigation of the \$1.4 billion fund indicates limited reforms by Shannon are too little and too late. The fund is in deep trouble, and Shannon and his bosses, the fund's 16 trustees, know it.

The fund's troubles are fully illustrated by studying its loan activity. Although the Teamsters haven't been required to file detailed lists of loans for the public record, the Tribune has pieced together for the first time a picture of the pension fund's major Chicago-area loans from internal fund documents, land records, and court files.

Illinois is one of four states that have shared heavily in the pension fund's largesse over the years. The four—California, Nevada, and Florida are the other

three—usually account for about 70 percent of the fund's outstanding loans. California projects take half that amount. Illinois, Nevada, and Florida split the remainder.

THE INVESTIGATION shows conclusively that in Illinois, as elsewhere, the

pension fund has lost millions over the years in serving as the banker for persons who cannot get loans elsewhere. Cases to be detailed later in this series establish the following:

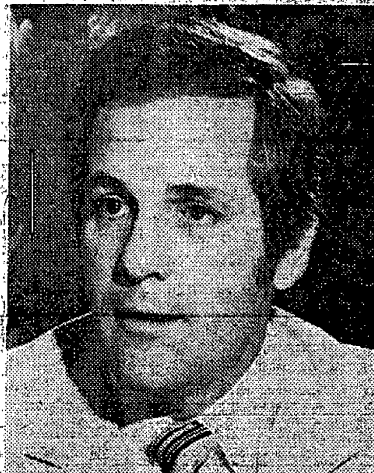
- The fund, contrary to normal pension fund standards, has invested heavily in motels and hotels, considered

among the riskiest types of real estate investments. Many such loans, though often granted on unusually liberal terms, have been foreclosed or restructured when recipients couldn't meet principal or interest payment schedules.

- In many cases, the fund's struggles to remedy bad loan situations by refinancing them have simply prompted it to pour more money down the drain, compounding its heavy losses. In at least two local cases, the Teamsters have been forced to foreclose on the same property twice within a short time. One of these properties is under its third loan granted by the fund.

- Large loans consistently have gone to persons with ties to and conflicts of interest with Teamsters officials, as well as to persons with crime syndicate

Continued on page 5, col. 1



Daniel Shannon

Continued from page one

backgrounds or links. Most of these loans would not be granted under any circumstances by more respectable financial institutions, least of all by pension funds, which are expected to be conservative investors.

Many Teamsters loans are backed by collateral insufficient to protect the outstanding balance on the loans. Many properties covered by these loans still are carried on the fund's books at highly inflated values that couldn't be met in a sale.

BESIDES THE enormous task of unburdening itself of hundreds of millions of dollars of questionable loans, the fund is under attack by the federal government. After years of ignoring a steady flow of allegations that the union's leaders were using the fund for their own gain instead of for employee beneficiaries, federal officials now seem on the verge of a crackdown.

For nearly a year, investigators from the Labor and Justice departments have been closing in on the fund, checking claims of kickbacks, unjustified fees paid to consultants and "finders" who help arrange loans, links to organized crime, granting of hundreds of millions of dollars of improperly secured loans, missing money, and other misdeeds.

Observers say the investigation's goal may be to place the fund in some sort of receivership, to oust its badly tainted board of trustees and their cronies, and to turn the fund's management over to independent pension experts.

"At the very least, these guys will be nailed for a breach of their fiduciary duties to administer all this money for the good of the employees and not themselves," one source predicted.

ACTION AGAINST the fund isn't expected until after the November election, probably early next year. Investigation of its tangled web of bad loans and suspect dealings has proved a painstaking task, investigators concede. And experts disagree on the extent to which the government can prosecute the fund and force reforms under new federal pension legislation that has not been fully interpreted.

Further, pre-election moves might antagonize Teamsters officials, who have considerable political clout. For this reason, skeptics still doubt an all-out offensive against the fund will ever come.

Reforms claimed by Shannon boil down to his efforts to clean up the fund's portfolio of bad loans and to sell real estate it owns because of foreclosures on delinquent loans. He wants to put more money into higher-grade investments such as stocks and bonds. He also has fired some members of his staff.

"It's mostly window dressing, designed to blunt the inevitable result of the government investigations and, possibly, protect his own hide," a Shannon acquaintance said. "When you come right down to it, he's still a front man for the Teamsters leaders on the fund's board of trustees and is powerless to do anything without their approval."

THE BIGGEST PROBLEM faced by Shannon or any potential reformer is shedding the burden of delinquent, foreclosed and shaky mortgages and real estate loans that Teamsters officials have meted out for two decades to friends and associates, many with criminal records.

It is highly unusual for a pension fund to make real estate loans at all, financial experts told The Tribune. "They're just too risky," one said. "You would be hard-pressed to find many pension funds that are run by accepted standards that would put a nickel of that kind of money into any kind of real estate, let alone risky ventures like these loans."

Yet the Teamsters have seen fit to put two thirds of their nickels into real estate. About \$900 million of the fund's \$1.4 billion in assets is invested in real estate, Shannon said. Another \$350 million to \$375 million is in stocks, bonds, and short-term debt types of securities. Prudent pension funds stick with

Another \$100 million is in property owned and operated by the pension fund, mostly as a result of foreclosures on delinquent loans. It is property "where somehow we got title, and all of it is for sale," Shannon said.

A POLICY of selling is relatively new for the fund, since it long has been stuck with properties it had loaned money on. "We're not in the business of running motels and real estate; we're in the finance business," Shannon recently told The Tribune. "If something has gone bad or doubtful, we should sell it."

Unfortunately, selling property with a history of financial failure is not easy and often results in big losses. Anticipating such losses, the fund last year diverted \$50 million in assets to a reserve fund set up to cover the probable sale of real estate at prices below the value carried on the fund's books.

It marked the first time the fund had

acknowledged the possibility of big losses on its investments. But experts who have studied the fund's real estate loans contend the \$50 million won't be adequate. More money will be needed, they warn, further reducing assets available to pay pension benefits.

Shannon publicly has minimized the bad loans on the fund's books. "We have only \$45 million in delinquent loans out of the \$900 million in total real estate loans," he insisted.

BUT WHEN PRESSED by The Tribune, he conceded his figure included only those loans on which current principal or interest payments were behind schedule. It does not include millions of dollars in loans that already have been modified from the original terms to give lower interest rates or stretched-out repayment schedules.

In the past, such situations have signaled repeat problems for the fund because borrowers also failed to meet the revised terms.

The Tribune has found numerous cases where the Teamsters have granted a borrower a moratorium on interest or principal payments. Sometimes the fund has suspended all payments on a loan, but such cases aren't considered delinquent.

Although Shannon and other Teamsters officials deny it, the Central States fund has earned a poor return on its investments in recent years, especially compared with most pension funds, The Tribune found.

Last year we received a 12.1 percent return on our investment before expenses, Shannon said. That would amount to an income of about \$60 million in interest, dividends, and rent from the fund's total assets.

WHILE CONCEDED that less than can be earned from an ordinary bank savings account, Shannon contended a consultant hired to evaluate the fund concluded that "we were a little better than average." Further, the fund's performance in this area will improve, he forecast.

But pension experts are dubious. Typical pension funds last year earned a rate of return more than double that of the Teamsters fund, they noted.

"Hell, they're not even keeping pace with inflation; they're actually losing ground at an alarming rate," said Chicago executive with years of experience as a director of a giant pension fund told The Tribune.

Another expert consulted by The Tribune said a properly managed pension fund, with a cash inflow of the size apparently enjoyed by the Central States fund, could have built its assets to a much higher figure, possibly even double the \$1.4 billion.

TO DATE, however, the fund has had little trouble paying its pensions and other benefits to retired and disabled employees. The fund's investment errors have been masked by contributions that in recent years have exceeded annual benefits paid by \$100 million or more.

But in coming years that margin may be jeopardized, although weekly employer contributions are scheduled to jump to a maximum of \$31 per worker in 1978 from the current \$25. New federal pension rules may force an end to severely restrictive Teamsters position qualification rules under which thousands of longtime trucking industry employees have been barred in the past from receiving pension benefits. Along with a

natural increase in the number of retirees, this will substantially increase required payouts.

Also, pension payments will have to be increased from current levels to offset inflation, even though the size of current benefits paid to employees who qualify is considered good by most standards.

DESPITE ITS investment troubles, the pension fund continues to be operat-

ed under the direction of the old crew of Teamsters officials associated with Jimmy Hoffa, several of them convicted of kickbacks, extortion, and other crimes.

"There will never be a true reform that can root out all the rotten apples in the fund until there's a total upheaval at the top — an unlikely event unless it's forced by the government," one source close to current investigations of the fund said.

One example of the fund's current leadership talent is William Presser, a Teamsters vice president from Cleveland.

In 1971, Presser pleaded guilty to illegally accepting money from employers with Teamsters labor contracts in return for advertising in a union publication to ensure "labor peace." Such a practice violates the Taft-Hartley Act.

Presser was fined \$12,000 but was not jailed because he pleaded ill health.

In the 1960s he did serve a six-month jail term after being convicted of obstructing justice by destroying union records sought by the government.

CRIMINAL RECORDS never have been a barrier to high Teamsters officers. However, Presser was forced to step down in 1975 as a trustee of the pension fund because of new federal regulations on the qualifications of those who govern pension funds.

His place on the board was filled by his son, Jackie. That probably kept in the family most of the \$29,000 in allowances collected in 1974 by William Presser from the pension fund, part of a personal income of at least \$126,500 he gained from five union jobs that year, according to Labor Department reports. [Jackie did well that year, too, collecting \$177,000 from his assorted union positions.]

But the federal regulation excluded Presser from serving as a fund trustee only for five years following his last conviction. He quietly returned as a trustee earlier this year, Shannon admitted to The Tribune.

MOREOVER, the fund's executive director indicated an allegiance to the nefarious Presser. "For what it is worth, I wouldn't be here if it wasn't for Bill Presser," Shannon declared. "When I first came here [to the fund] in 1973, there was great consternation about the new kid on the block and what he was doing," Presser said. "He stays. If it wasn't for his gesture, I'd be gone today."

Shannon described Presser as "a hard working individual."

The Central States fund also is struggling with a tax problem that poses a major threat to its future. Charging the fund had been improperly managed, the Internal Revenue Service in late June revoked the fund's tax-exempt status retroactive to January, 1965.

Theoretically, the ruling may mean that the IRS won't allow employers to continue deducting expenses for pension contributions, that it will tax employees for contributions made by their employers, and that it will take a big tax bite out of the fund's already meager earnings.

THE IRS, after negotiations with the fund's attorneys, agreed it would not apply the tax ruling on employers and employees until at least Aug. 31. But efforts to tax earlier earnings of the fund's assets may continue.

The ruling was based on a conclusion from IRS audits that the fund has not been operated for the "exclusive benefit" of employees, a strict requirement for maintaining tax-exempt status. In other words, the IRS seems to be supporting allegations the fund has been operated illegally for the benefit of Teamsters officials and their friends.

A settlement of the IRS charges probably will require the union to accept radical reforms, including possible changes in control of the fund, in its investment policies, and other practices that haven't benefited employees. The fund's trustees are fighting the ruling, charging it is "both legally and factually erroneous."

A negotiated settlement that would restore the "exclusive benefit" status is possible, but sources say the fund has not yet demonstrated a willingness to take the drastic steps necessary. In any event, it may be some time before the fund's muddy tax status is clarified.

Tomorrow: Millions wasted on a bad loan.

16 decide where the money goes

THE RICH, powerful, and aggressive International Brotherhood of Teamsters is the country's largest and most controversial union.

It represents 2.3 million workers in jobs encompassing the spectrum of American life—from hospital maternity workers to funeral directors, from bubble gum manufacturers and airline clerks to teachers and policemen.

But the union's power base remains the trucking industry, where it consistently has won favorable wages and benefits for its members. Pension and health benefits usually are administered through funds organized by the union and supported by employer contributions.

THE LARGEST of about 200 Teamster pension funds is the huge Central States, Southeast, and Southwest Areas Pension Fund. It covers most of the country's truckers—about 480,000 active and retired workers.

Each week nearly 16,300 trucking firms set aside as much as \$25 for each of their active employees to pay pensions, disability, and death bene-

fits. The money pours into the coffers of the Central States fund at a rate of \$34 million a month—more than \$400 million a year.

Assets of the fund, established Feb. 1, 1955, exceed \$1.4 billion, according to Daniel J. Shannon, executive director. It is the largest union-operated pension fund in the United States.

In the 12 months ended Jan. 31, 1975, the fund received \$283.2 million in employer contributions. [the contribution rate was lower in 1974] and had investment income of \$51.2 million. It paid out \$175.2 million in pension benefits that year. Income exceeded expenditures by \$150.9 million.

THE FUND IS run by 16 trustees who have final say on what is done with the money. Eight trustees are Teamster officials, including Frank E. Fitzsimmons, president of the international.

The other eight are executives of trucking companies. Critics have charged these men "rubber stamp" recommendations for fund loans to maintain cozy relationships with the

union and to assure favored treatment in labor negotiations.

During the last two decades, the fund has weathered frequent attacks on its policy of making loans to risky real estate ventures, alleged kickbacks, excessive fee payments, and other improprieties. Critics say it has been used mainly to enhance the union's power and to enrich individual union officials and their "friends" including many with unsavory reputations.

In addition to Fitzsimmons, the other Teamsters trustees of the pension fund are William Presser, Cleveland; Roy L. Williams, Kansas City, Mo.; Odell Smith, Little Rock, Ark.; Robert Holmes, Detroit; Donald Peters, Chicago; Frank H. Ranney, Milwaukee; and Joseph Morgan, Dallas.

The employer representatives are Thomas J. Duffey, Milwaukee; Herman A. Lueking, Jr., St. Louis; Albert Matheson, Detroit; William J. Kennedy, St. Louis; Andrew Massa, Bridgeview, Ill.; Jack A. Sheetz, Dallas; John Spickerman, Atlanta; and Bernard S. Goldfarb, Cleveland.

(Mount Clipping in Space Below)

Teamster inn investments turn sour

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Chicago Tribune

Task force report

The Teamster union's Central States pension fund—with assets of \$1.4 billion—is the largest union-operated pension fund in the country. Two recent federal crackdowns also have made it the most controversial. The fund's tangled financial dealings in the Chicago area have been investigated by Chuck Neubauer and George Bliss, Tribune reporters, for three months. This is their fourth report in a five-part series written by Todd Fandell, Tribune financial reporter.

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THE INTERNATIONAL Brotherhood of Teamsters long has had a penchant for investing its members' pension money in Chicago area motels and hotels. But big or small, old or new, most of those they have picked have turned out to be losers.

That pattern holds true whether you look at the sleek newer resting spots the Teamsters have financed, like the 640-room lakefront McCormick Inn or the 915-room O'Hare Hilton Hotel, or at run-down hotels like Uptown's Sheridan Plaza, or at cheap truckers' stops like the Motor World West in suburban Forest View.

For many weeks Tribune reporters, working from a list of the outstanding loans of the union's big Central States, Southeast and Southwest Areas Pension Fund, have been digging through land records, court files, and other documents on these and other real estate ventures of the controversial fund.

SOME \$900 MILLION of the Central States fund's \$1.4 billion in assets is tied in real estate, with Illinois ranking among the top four states as a recipient of the Teamster largesse. Most of the fund's Chicago area loans have gone to hotels and motels. The Tribune study turned up a number of recurring features of these loans.

- Loans were doled out with little or no regard for poor histories of the projects involved or for their risky prospects.
- Some went to recipients with crime syndicate ties.
- Invariably loans went to recipients without credit availability elsewhere for properties which prudent financial institutions were not interested in financing.
- The properties usually lost money after receiving Teamster loans, resulting in delinquencies and restructuring of many loans.
- Refinanced loans often failed a second time.
- Many loans are carried on the fund's books at inflated values because outstanding loan balances are much higher than the property's real worth.
- The fund is faced with having to ab-

sorb heavy future losses on many of the loans.

THE CHICAGO-BASED pension fund's curious past loan activity, both in the Chicago area and elsewhere, is the subject of a joint investigation by the federal Justice and Labor departments. They are exploring extensive charges of mismanagement and wrongdoing in connection with use of its assets.

In Saturday's editions, The Tribune disclosed that the Teamster fund is threatened with a substantial prospective loss on its largest Chicago investment, McCormick Inn, which the Cook County Assessor says is worth only a fraction of the \$31.3 million at which the pension fund is carrying the inn and associated air rights on its books.

The inn's developers now say it has

flopped financially, chiefly because of the failure of the city to come up with plans that would allow future development of surrounding air rights and bring more business to the hotel, located at 23d St. and Lake Shore Dr. It had an occupancy rate of only 52% last year and an estimated operating loss before depreciation charges of nearly \$1 million. Its owner, McCormick City Ltd., says it is worth less than its assessed \$11.7 million fair market value.

A CHICAGO banker consulted by The Tribune said the lack of really firm assurances that the related developments would materialize "probably should have warned the Teamsters off" the project in the first place. "Other potential financiers probably were aware that the convention hall [McCormick Place] alone would not provide enough business for a large hotel in that otherwise isolated location," he said.

It is considerations like this that make hotels and motels risky ventures in the eyes of most investors. Most pension funds refrain from investing in them or other forms of real estate, preferring "safer" forms of investment like stocks, bonds, and government securities.

Appraisers who specialize in motels concede they are among the shakiest of

Continued on page 6, col. 1

Continued from page one

all real estate loans. An appraisal of one foundering Teamster-funded motel-restaurant, obtained by The Tribune, says the risk in operation of such facilities in a large metropolitan area like Chicago is considered greater than many other types of real estate properties because of the variables which affect the quantity, quality, and durability of the income stream.

The appraisers, Joseph A. Nowicki and John B. Roadhouse, cited location, management, style and size, physical facilities, habits of travelers, the economic base of the immediate area, and competitive facilities as major variables that can quickly and significantly affect a motel's viability.

A CLASSIC EXAMPLE of a Teamster motel loan gone bad is the Motor World West at 5225 W. 47th St. Forest View, a \$6-a-night stop for truckers.

The fund's loans on this property went to a borrower, Sam Rantis, with ties to the crime syndicate. The motel already was a bad credit risk. Rantis, R & A Motel Corp. having defaulted on a previous loan, attempts to "preserve the assets" by lending money to a new owner after Rantis was arrested in 1970 resulted in further loss.

Finally, the property became outmoded and was sold for \$350,000 to the Lewis University Endowment Fund at a loss of nearly \$350,000 from the \$698,415 value at which it was carried on the fund's books. The pension fund is still involved, having loaned all but \$25,000 of the purchase price to the buyer. It's the fund's third mortgage loan on the motel.

The first loan on the property was made in 1965 when R & A Motel Corp. headed by Rantis, borrowed \$650,000. It was then in default on a 1963 loan of \$125,000 from Virginia Corp., which filed suit on the day before the Teamster loan was signed against a guarantor of the loan.

THE GUARANTOR, Henry Weber, an assistant corporation counsel for the city of Chicago, says he lost his interest in an Arlington Heights office building because he had signed for Rantis' loan "as a friendship thing."

Rantis used the \$650,000 loan to finance a 77-room addition to the original 40-room motel. Investigators say they found it "unbelievable" that Rantis could get such a large loan because of his background.

They say he was an associate of such hoodlums as Manny Skar, Thomas Potenza, Mario DeStefano, Joseph Ferrilla, and others.

In 1965, Rantis obtained a federal gambling tax stamp for the motel. In 1970, Rantis and five others were caught counterfeiting \$500,000 in \$5 bills in the motel. He was sent to jail for 11 months and lost the motel, which had been under foreclosure proceedings since 1968.

BY THE TIME the Teamsters got the deed back on the property, R & A owed more than \$700,000 in interest, unpaid principal, and court costs. The pension fund then sold the building for \$702,000 and provided the new owner, Modern Inns Inc., with a five-year loan at 3½ percent interest for the full purchase price.

A year later, Modern Inns sold the motel to G. Reamer Loomis, a South Side real estate operator. Loomis paid the company \$50,000 and assumed the loan payments which remained in Modern Inns' name.

But in 1975 the new owners defaulted too, despite the favorable terms, after paying only \$3,585 of principal and owing the pension fund \$729,463 in unpaid principal, interest, and court costs.

The motel was worth only \$325,000 according to an appraisal done last year by William A. McCann and Associates Inc. for the Teamsters. "A considerable amount of deferred maintenance has been allowed to accumulate and the property is in rather poor condition," the report said.

THE REPORT, underlining why motels can be risky long-term investments, pointed out that truckers must share washroom facilities in the motel while newer trucker motels have private baths. "Most motels have relatively short economic lives due to the nature of their

use," the report says. "As lifestyles change, customer acceptance of the older and outdated types of motels also changes, and, even though they may still have a long physical life, they become functionally obsolete and lose their profit-making ability."

As an aside to the Rantis story, he disappeared on Dec. 7, 1973, and his body was found in the trunk of an auto at O'Hare airport on Feb. 4, 1974.

According to police, he had become involved with two syndicate "juice loan" collectors, Joseph Grisafe and Sam J. Marcello, whose dismembered bodies were found in July, 1974, in 55-gallon drums behind Rantis' sandwich shop. They had been missing since Nov. 24, 1973. Three checks written to them by Rantis that had bounced were found on their bodies.

Police say they believe later slayings of two other men were related to the three deaths.

ANOTHER AREA motel on which the pension fund has run into trouble is the Ramada Inn in Dolton at 154th and the Calumet Expressway. The pension fund has had to foreclose on its one loan on the 142-unit motel and has had to modify repayment terms of a second.

The pension fund took over a mortgage loan on the motel from Continental Illinois National Bank and Trust Co. in 1964, but started foreclosure proceedings a year later. By the time the foreclosure was completed in 1967, the original owners owed the pension fund \$2,392,270 in unpaid principal, interest, and court costs.

In 1968, the Central States fund agreed to sell the motel to H. Z. Enterprises for \$1,540,000, lending the buyer the money at 5% interest payable in \$9,000 monthly installments over 25 years.

Records checked by The Tribune show the principal owed on the property increased slightly between Feb. 29, 1972, and Jan. 31, 1975. Harry Zaidenberg, owner of H. Z. Enterprises and a Chicago attorney, banker and real estate man, told The Tribune he has never missed a payment, however.

But Zaidenberg did concede that during a "rough period" he had worked out a deal with the pension fund to lower his payments to \$5,000 a month for a period of three or four years.

Z. AIDENBERG SAID he agrees that motels are risky, but he happens to like the business and if you like it you're in it.

"If the Teamsters offered me another bad one I'd look at it," he said. "I'm looking for more land investments."

Zaidenberg was a director of Modern Inns, the firm which defaulted in 1974 on a pension fund loan covering the Motor World West in Forest View.

The Ramada Inn Downtown, once known as the Imperial Inn at 506 W. Harrison St. in the shadows of Chicago's main post office, is still another Teamster-backed motel that has never lived up to its financial expectations.

The pension fund has loaned it \$2,350,000. While it hasn't had to foreclose on the loan, at least one six-month moratorium on principal payments has been granted, according to records obtained by The Tribune.

THE MOTEL, built in 1962, has had financial difficulties from the start. In March, 1963, it reported it had recorded a mere 42% average occupancy rate and "prospects for an immediate future increase in the occupancy rate" are dim.

Six months later the Teamster fund loaned the motel \$2 million. It added another \$350,000 loan in 1966, although the assessor has never placed more than \$1.6 million fair market value on the motel.

The motel affiliated with the Ramada Inn chain in 1968 in the hope of improving business but by 1973 the motel owner had to ask for the repayment moratorium. In 1972, the motel's food and drink concessionaire backed out mid-way in a 10-year contract "because of the distressed condition of the motel" and the inability of the lessee to sustain its operation. In 1974, the motel complained "the decline of the area in which it is located" was hurting business.

THE PENSION fund has bankrolled a former Chicago strip joint operator in

his ownership of the Mart Inn at 125 W. Ohio St.

"It was one of the good loans they made," Harry Boshes, president of Trans American Construction Co., owner of the motel, told The Tribune.

Maybe so, but that's not the tune being sung by the motel's attorney who has told a tax hearing the property "consists of a very old structure which was remodeled into a motel several years ago." The facilities and amenities are such that the motel "is at a competitive disadvantage with new and more modern facilities," he said, adding it is in "a very poor area for a business."

Boshes, who operated several North Clark Street and South State Street strip joints in the 1940s and 1950s and had a few scrapes with the police during that time, borrowed \$7 million from the pension fund in 1966. After recent losses on the motel's operation, he obtained last year a 12-month moratorium on principal repayments.

ALMOST \$1.3 MILLION is owed the pension fund on the motel loan but the property today is worth only \$850,000 not including its parking garage, according to a complaint filed with the Board of Tax appeals by Boshes' attorney.

The pension fund, after a 13-year struggle, has taken a loss of about \$800,000 on the Sheridan Plaza Hotel at 4607 N. Sheridan Rd.

The fund made and foreclosed on two mortgages on the aging structure—the first a \$600,000 loan in 1962 and the second for \$650,000 in 1967. During the entire period neither borrower made any significant repayments and the fund had to pay nearly \$200,000 in taxes and other expenses.

The hotel had been hit by several fires and continually plagued with uncorrected

building code violations that by 1973 reduced its permissible capacity to 132 rooms from an original 407. In 1971, a Teamster attorney estimated it would cost \$595,000 to bring the property up to building code standards.

The rundown hotel, now boarded up, was sold at auction last year for \$80,000.

THE PENSION fund seems headed for trouble with its \$16 million loan on the big O'Hare Hilton Hotel, although payments on the loan are current. The loan is the fund's second largest in the Chicago area, exceeded only by the McCormick Inn financing.

The hotel, located on city property at the airport and opened in June, 1973, has been a heavy loser for its owner, Midwestern Hotel Inc., a subsidiary of Madison Square Garden Corp. According to records filed with local government bodies, the hotel had losses before taxes of \$2.9 million in 1974 and \$710,000 in the first five months of 1975.

Madison Square Garden Corp., which has been unsuccessfully seeking a buyer for the hotel, has told the Securities and Exchange Commission the hotel has lost money since its opening and will again this year.

THE PENSION fund hasn't been totally unsuccessful at salvaging some of its bad loans, however.

In 1974, the fund foreclosed on a \$1.75 million note it held on the Flying Carpet Motor Inn, 6465 N. Mannheim Rd., Rosemont. It was still owed \$1.34 million in principal at the time but the 176-room motel was sold at auction last year for \$2.76 million, with the new owners assuming the Teamster mortgage.

TOMORROW—How "friends" have an easy time getting Teamster pension fund loans.



Tribune Photo by Walter Kalo
The aging Sheridan Plaza Hotel, 4607 N. Sheridan Rd., which has led the Teamsters Pension Fund of about \$800,000 in bad loans. The hotel was hit by fires and plagued by uncorrected building code violations.

(Mount Clipping in Space Below)

Ranney to Resign Teamster Position

Frank Ranney, a longtime power in Milwaukee and Wisconsin Teamster circles, will resign from his job as a trustee of the Teamsters' Central States Pension Fund, according to the New York Times.

Ranney cited his right against self-incrimination in refusing to answer questions from investigators about how the fund operated, the newspaper said.

The US Departments of Labor and Justice and the Internal Revenue Service have been probing the fund's investment policies in a broad investigation that got underway late last year. The probe

was started in the wake of allegations about the fund's connections with organized crime and the disappearance of former Teamster leader James Hoffa.

The probe led the IRS to revoke the fund's tax exempt status.

Ranney, who now lives in Coral Springs, Fla., could not be reached by The Milwaukee Journal for comment. A pension fund spokesman refused comment.

The newspaper quoted unidentified sources as saying that the pension fund's trustees voted to ask for resignations from any trustees who took the Fifth Amendment. Subsequently, the Times said, Ranney and another trustee, William Presser of Cleveland, were asked to resign after refusing to cooperate with Labor Department investigators.

Ranney, former head of Milwaukee Local 200 of the Teamsters, has been one of



Frank Ranney

16 trustees guiding the destinies of the controversial pension fund. He was named a trustee in 1968.

On Loan Panel

He sat on the trustees' six-man loan committee during the early 1970s, when a number of the fund's more controversial loans were made. The committee approves the fund's loans.

Investigators are known to be probing Ranney's ties with Frank P. Balistreri, a Milwaukeean who is reputedly boss of the Milwaukee Mafia.

In 1974, three Teamster groups reported paying Ranney a total of \$124,734 for purposes that were not identified.

Among those payments was \$76,359 for "allowances and expenses" in connection with pension fund business. Ranney's allowances and expenses topped those reported for all other trustees that year.

Honored in 1972

The rest of the money went for his work with Local 200 (\$12,909) and his job as a general organizer for the Teamsters (\$35,466).

Ranney retired from the leadership of Local 200 in 1971. He was widely praised upon his retirement at a dinner attended by 1,200 union officials and community leaders in 1972 in Milwaukee.

At the dinner he was given the Fraternal Order of Eagles annual Green-Murray Award "for outstanding leadership and statesmanship in the field of labor affairs."

(Indicate page, name of newspaper, city and state.)

A-1

Milwaukee Journal
Milwaukee, Wisconsin

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(Mount Clipping in Space Below)

Teamster Fund Figure

May Talk

By Richard L. Kenyon
of The Journal Staff

Frank H. Ranney, a top Teamsters Union official from Milwaukee, apparently has agreed to cooperate with federal investigators probing the union's huge Central States Pension Fund, Teamster President Frank E. Fitzsimmons said Thursday.

Fitzsimmons was contacted at his office in Washington, D. C., about reports that Ranney was resisting pressure from Fitzsimmons to resign as a trustee of the troubled \$1.4 billion pension fund.

The Teamster president added that Ranney, 65, said he would resign his trusteeship as well as cooperate with federal authorities.

Pressure Hinted

According to Teamster sources, Ranney and another trustee, William A. Presser of Cleveland, were being forced from their powerful positions after they refused to cooperate with US Labor Department investigators in July.

Ranney has been a powerful leader in Wisconsin Teamster circles for many years. Presser is the head of the Teamsters' Ohio Conference.

Both invoked the Fifth Amendment in refusing to answer questions about pension fund operations. According to some sources, the two placed themselves in jeopardy with the fund's board of trustees because the board reportedly had voted earlier to ask for resignations of any trustee who took the Fifth Amendment.

Presser has been described as one of the most influential

members of the 16 member board of trustees. He and Ranney had substantial control over where pension fund money was loaned.

No Ranney Letter

The sources said Ranney and Presser were to have their letters of resignation at the fund's Chicago headquarters by last Monday. Sources in Chicago said that Presser's letter was received last Friday, but that nothing had been received from Ranney.

A Teamster source close to Fitzsimmons said:

"He (Ranney) evidently does not want to leave, no matter. Presser resigned. But Ranney is saying no. Fitz wants him out."

Ranney, who moved from Milwaukee to Coral Springs, Fla., could not be reached for comment. He reportedly has been visiting in Milwaukee recently.

However, Fitzsimmons did not deny the statements of sources that he wanted Ranney off the pension fund board and out of the picture. And the powerful president confirmed that Ranney had come to see him earlier this week about the resignation. Fitzsimmons said:

"Ranney came in. He said he would go back to the Labor Department to see if he could testify. He said he would talk to his lawyer and said that he would offer to testify."

"But he said he would still resign."

Fitzsimmons would not give a direct answer to the

question of whether he wanted Ranney to resign. He repeatedly evaded the question and said that Ranney "should do as his mind tells him to do — in all sincerity."

He also repeated his statement of last Friday that Presser and Ranney were resigning as a "matter of public trust," apparently a reference to their taking the Fifth Amendment.

Sources inside the Teamsters' organization said that Fitzsimmons does want Ranney off the fund's board and that his reasons go beyond Ranney's refusal to testify in July.

"Fitz wants him out because of his age, because of his ineffectiveness and because he wants someone who will contribute," a source said. "Fitz is trying to use muscle to get rid of Ranney. Leaning on him. But Ranney doesn't want to give up his \$460 per diem pay, for which he does nothing."

Going on 65

Ranney will be 66 in December. This source explained that by ineffectiveness he meant that Ranney had been involved in many millions of dollars of pension fund loans for real estate, but that he was neither an expert in finance nor an authority on real estate.

"Some of these loans have been our very troublesome ones," the source said.

Among the loans that Ranney was involved in were those totaling more than \$100 million to the Penasquitos Corp. for a 3,300 acre land development in San Diego and about \$33 million to Ran-

(Indicate page, name of newspaper, city and state.)

B-1

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cho La Costa, a Teamster hangout in San Diego.

Loans such as these have prompted three federal agencies to begin investigating the pension fund. Besides the US Labor Department, the fund is being investigated by the Justice Department and the Internal Revenue Service. Probes got underway last year after allegations about the fund's connections with organized crime and the disappearance of former Teamster boss Jimmy Hoffa.

Exempt Status Lost

A major blow for the fund has been the loss of its tax exempt status on June 25. The IRS revoked the fund's status in the midst of the investigations into alleged mismanagement and questionable business practices. Fund officials have asked the IRS to reinstate its tax exemption because without it fund operations could be subject to stiff taxes stretching back 10 years.

Ranney is a former head of Milwaukee Local 200 of the Teamsters. He is one of the eight union representatives on the fund's board of trus-

tees. Another eight are employer representatives. He was named a trustee in 1968 and sat on the trustees' six-man loan committee during the early 1970s, when a number of the fund's more questionable loans were made.

In 1974, three Teamster groups reported paying Ranney a total of \$124,734. Figures for 1975 were not available.

"In the last six months he has done nothing, ever since he took part in several meetings in Kansas City in March," the source said.

The source said that those at the meetings included Donald Peters, another trustee, and Alvin Baron, a lawyer and the former assets manager of the fund. Baron is said to be an associate of Allen M. Dorfman, a former pension fund consultant. Dorfman's father, Paul, is credited with introducing Hoffa to the Mafia. (Dorfman owns a 167 acre estate near Eagle River.)

The Teamster source said that the meetings involved a loan to Gottlieb Enterprises for a plaza at the San Francisco airport.

"After the meeting in Kansas City, Ranney drops mysteriously from the picture," the source said. "He starts losing his influence in the pension fund and hardly travels at all."

(Mount Clipping in Space Below)

US Pushes Resignation of Teamster

By Richard L. Kenyon
of The Journal Staff

Frank H. Ranney, the powerful Teamsters Union official from Milwaukee who has balked at pressures from the union's leadership to resign as a trustee of the union's huge Central States Pension fund, now faces intense pressure from the government as well, sources said Thursday.

Responsible sources in the Teamsters' organization said the federal government had given Ranney until today to resign his influential position with the scandal scarred, \$1.4 billion fund.

Ranney's future with the fund was jeopardized when he refused to cooperate with U.S. Labor Department investigators last July. Ranney and another fund trustee, William A. Presser of Cleveland, both took the Fifth Amendment in refusing to answer questions about the way the fund operated.

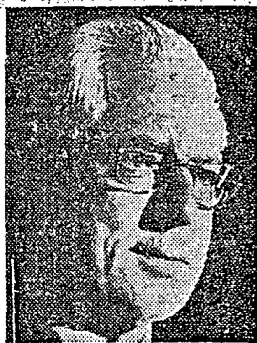
Trustees and President

The two trustees, according to union sources, were being forced to resign by both the fund's board of trustees and by Teamster President Frank E. Fitzsimmons.

Fitzsimmons, who sources have said wants Ranney "out of the picture for other reasons, too," told a Journal reporter last week that Ranney told him he had changed his mind and wanted to testify, but that he would still resign.

Ranney, who has been a Teamsters Union leader in Wisconsin for many years, has been a pension fund trustee since September, 1968.

Presser's letters of resignation from the pension fund and also from the union's



Frank Ranney

health and welfare fund were received by union officials Sept. 17. Ranney's resignation letter was expected by union and fund officials by Sept. 20, but Teamster sources said Friday that it still had not arrived. Ranney, unlike Presser, was not also a trustee of the health and welfare fund.

Moved to Florida

Ranney, who has moved from Milwaukee to Coral Springs, Fla., could not be reached for comment. His lawyer, Raymond Smith of Chicago, refused to comment Thursday on reports that Ranney now wanted to cooperate with investigators probing alleged mismanagement of the pension fund and reports of the fund's involvement with organized crime.

Ranney is a personal friend of Frank P. Balistreri, the reputed head of Milwaukee's Mafia.

A spokesman for the Washington-based federal investigations of the union and the two funds said that the government had given the fund until Oct. 1 to have the resignations of Presser and Ranney. Asked what the government intended to do if Ranney's letter was not received by today, the government spokesman said:

"If there is no response from Mr. Ranney by Friday, we don't know what we'll do. We will have to make that decision afterward."

Pension Reform Act

However, he explained the provisions of the recently enacted Pension Reform Act under which the Internal

Revenue Service and the Justice and Labor Departments were investigating the union and its funds.

He said the law required fund trustees to fulfill certain "fiduciary responsibilities," including cooperating with federal investigations. He said the law provided that if a trustee did not meet his responsibility, "he could be removed under the statutes or be subject to any remedy that the judge may deem appropriate."

A Teamster source in Chicago was asked about Ranney's resignation and reports that he would testify.

"We're walking around here scratching our heads," he said. "We can't figure Ranney out. Fitzsimmons wants him off the fund. The government wants him off the fund. He says he'll leave the fund. But, nothing happens. Presser was a powerful guy, and he saw the light. He got out. Who can tell what the hell is going to happen?"

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B-1

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Teamster Reported Ready to Testify

By Richard L. Kenyon
of The Journal Staff

An attorney for Teamster Union official Frank H. Ranney has told federal authorities in Washington, D. C., that Ranney would cooperate with their investigation of the union and its wealthy Central States Pension Fund, sources said Wednesday.

Ranney, formerly of Milwaukee and still a powerful Teamster figure here, has been receiving pressure from the government and from Teamster President Frank E. Fitzsimmons to resign his influential position as a trustee of the Chicago-based, \$1.4 billion pension fund.

Fitzsimmons told a Milwaukee Journal reporter two weeks ago that Ranney had indicated he would cooperate with investigators, but that he would still resign. Ranney could not be reached then for comment and his attorney, Raymond Smith of Chicago, refused to talk about the matter.

Trustee Resigned

Ranney's troubles with the government started last July when he refused to respond

to questions from Labor Department investigators. He and another trustee, William Presser of Cleveland, invoked the Fifth Amendment. Presser resigned Sept. 17, but Ranney has resisted pressure to follow suit.

The government, according to sources, gave Ranney until Oct. 1 to resign. These sources said Ranney could be removed from the fund by a court order if he failed to meet the deadline.

But Wednesday, a source close to the federal investigation said the government

would be forced to reconsider the deadline ultimatum if Ranney was willing to testify. "His testimony about the fund and the union is pertinent and it should be taken," the source in Washington said. He explained that forcing Ranney to resign now could jeopardize the opportunity to obtain Ranney's testimony.

Probe Widened

In addition to the Labor Department, two other federal agencies are investigating reports of mismanagement of the pension fund and the

apparent involvement of organized criminals with the fund and the union. The Justice Department and the Internal Revenue Service also are conducting investigations.

Ranney reportedly is still being pressured by Fitzsimmons to resign.

Sources close to Teamster leadership said Wednesday that Fitzsimmons wants Ranney off the fund and out whether he testifies or not. "He just plain wants him out," a source said.

These sources said attempts were being made to clean up the image of the scandal scarred fund. Besides attempting to deal with problems involving the fund's past management and some of its loans, the new campaign is aimed at dissociating the fund from organized crime.

Ranney is a personal friend of Frank P. Balistreri, the reputed head of the Milwaukee Mafia.

Sources in Washington said no time had been set to take Ranney's testimony. They said the government's position on Ranney's future with fund would be considered once the matter of his testimony was disposed of.

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(Mount Clipping in Space Below)

Teamster OKs Probe Cooperation

By DENNIS J. SIEG

Teamster Union official Frank H. Ranney has agreed to testify before federal investigators about the union's \$1.4 billion Central States Pension Fund, a US Labor Department spokesman said Wednesday.

A pension fund spokesman confirmed Ranney's apparent willingness to cooperate with the federal probe, adding that Ranney's attorney has indicated that Ranney will "blow the lid off everything, whatever that means."

Ranney's attorney, Raymond J. Smith of Chicago, declined to comment on the matter. Ranney could not be reached for comment.

A powerful Teamster figure in Wisconsin for years, Ranney has been under pressure from the government and the union to resign as a trustee of the pension fund after he refused to cooperate with federal investigators earlier this year.

Another trustee, William A. Presser of Cleveland, also took the Fifth Amendment when questioned about the fund's operation. Presser has since resigned as a trustee.

The Labor Department last month advised the pension fund that Ranney should resign.

However, a spokesman suggested Wednesday that the department might now reconsider its position.

"The matter will have to be evaluated," he said.

"We have received an indication from Mr. Ranney indicating a desire to testify," the

spokesman said. "I think the general view is that we must take testimony that conceivably is pertinent to the investigation."

Even if the government drops its pressure for Ranney's resignation, the fund and Teamster President Frank E. Fitzsimmons still want Ranney to quit his post, a fund spokesman said Wednesday.

"Fitzsimmons wants him out," the spokesman said. "He was told to resign and he still didn't."

If Ranney refuses to resign, he could be removed as a trustee, the spokesman said.

The spokesman said he has no idea on what areas Ranney would testify. "All of sudden he wants to talk," the spokesman said.

In 1974, Smith represented Allen Dorfman, a former consultant to the pension fund, on a federal fraud charge in connection with a pension fund loan. Dorfman was acquitted in the case. Smith also has represented persons with organized crime ties in Chicago.

Ranney, 65, has been a trustee of the fund since 1968. He is a former officer of Local 200 here. In recent years, he has resided in Coral Springs, Fla., but makes frequent trips to Milwaukee. He is a friend of Frank P. Balistreri.

The pension fund has come under investigation by the US Labor and Justice Departments and Internal Revenue Service after allegations of questionable loans and possible ties to organized crime.

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Milwaukee, Wisconsin

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Teamsters to Trim 6 Trustees

A major reorganization of the board of trustees of the Teamster Union's Central States Pension Fund that apparently would force out former Milwaukee labor leader Frank H. Ranney was announced Tuesday by Daniel J. Shannon, the fund's executive director.

Ranney, still a powerful Teamster figure here, had been receiving pressure from the government and Teamster President Frank E. Fitzsimmons to resign his influential position as a trustee of the \$1.4 billion fund.

Shannon said the restructuring would reduce the membership on the board from 16 to 10. He also said six new board members would be appointed.

His announcement said nothing about resignations. However, it was learned from another source that there were going to be no resignations other than that of William A. Presser of Cleveland, who quit under pressure in September.

The source said four trustees would be reappointed to the new board, but that Ranney would not be one of them.

"I don't think he will be returning," he said.

(Indicate page, name of newspaper, city and state.)

B-1

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MILWAUKEE, WISCONSIN

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B-1

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MILWAUKEE, WISCONSIN

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Teamsters to Confirm Changes

New members of a reorganized board of trustees governing the Teamster Union's beleaguered Central States Pension Fund will be announced Friday by fund officials in Chicago.

One will be a successor to Frank Ranney, the Teamster official from Milwaukee who earlier withstood pressures from the Teamster leadership to resign.

Ranney, who now lives in Coral Springs, Fla., was one of 11 trustees reportedly ousted Tuesday in a major reorganization of the board.

The restructuring, which reduced the board's membership from 16 to 10, will require an entire new set of appointments, and Ranney, according to one source, will not be one of them. Trustee William Presser, of Cleveland, resigned under pressure in September.

The new board will comprise four members of the old board in addition to six new members, fund officials said.

The trustees have supervisory responsibility over the operations of the \$1.4 billion fund and investment of its assets. The reorganization came amid continuing federal inquiries into use of the fund and ties to organized crime.

(Indicate page, name of newspaper, city and state.)

B-10

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News in Brief -

Teamster Loan Tied to Crime Figure

(c) New York Times Service

New York, N.Y. — Despite a new federal law and government controls, Teamster Union pension fund money was loaned to known associates of organized crime figures as recently as last year, an examination of records of the fund shows.

Because of this, Rep. J. J. Pickle (D-Tex.) has warned that this week's resignation of 11 pension fund trustees may be a "cosmetic reform" meant only to appease the government. He said his oversight subcommittee would hold new hearings on the controversial \$1.4 billion

Central States, Southeast and Southwest Areas fund.

According to The Times, fund records show that the pattern of questionable loans continued until Jan. 1, 1975, when the new pension law took effect. And, in spite of this law, a loan was made after that date to a man linked by Florida and Nevada investigations to Meyer Lansky, the financial expert of organized crime.

As a result of this loan, Alvin Malnik, the reputed associate of Lansky, has a lease-back arrangement under which he will receive millions of dollars from the owners of Caesars Palace in Las Vegas, Nev., The Times said.

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A-3

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Teamsters Name New Trustees

Robert E. Schlieve, president of Teamsters Local 563 in Appleton, was one of six men named Friday to the board of trustees of the union's troubled Central States Pension Fund.

Teamsters President Frank E. Fitzsimmons announced the new trustees in Chicago as a part of a major reorganization of the \$1.4 billion fund that is being investigated by three federal agencies.

Among the trustees ousted in the reorganization were Frank H. Ranney and Thomas J. Duffey, both powerful men in Wisconsin Teamster circles. Duffey is a Milwaukee attorney.

The reorganization trimmed the size of the board from 16 to 10 members.

Fitzsimmons said that "the reduction of the board size was made necessary by internal administrative changes in the fund's operating procedures." He said the streamlining of the board would make it more flexible and efficient.

Teamster sources, however, agreed that the changes were made necessary because the federal government was threatening to put the fund into receivership with supervision by a federal judge.

Neither Duffey nor Ranney could be reached for comment. Schlieve, who is also an official of Wisconsin's Joint Council, was in Chicago but could not be reached.

An attempt had been made to force Ranney off the board after he refused last July to cooperate with a federal investigation of the fund by invoking the Fifth Amendment. He refused to resign, however, despite pressure from the Teamster leadership including Fitzsimmons.

The four members of the board who will remain are:

Fitzsimmons; Roy L. Williams of Chicago, head of the

union's central conference; John F. Spickerman Sr. of Orlando, Fla., representing the Southeastern Area Motor Carriers Labor Relations Association and the Southwest Operators Association, and A. G. Massa, Bridgeview, Ill., of the Motor Carriers Employers Conference, Central States.

The new members picked by the union side of the fund are Schlieve; Loran Robbins, Indianapolis, president of the union's Indiana conference; Hubert Payne, Knoxville, Tenn., secretary treasurer, Local 519, and organizer of the Southern conference.

New members picked by the trucking firms are Howard McDougall, Detroit, representing the Cartage Employers Management Association; Leroy Wade, Omaha, Neb., representing National Automobile Transporters Labor Council, and Robert Baker, representing the Motor Carriers Employers Conference, Central States. His hometown was not given.

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A-11

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Teamster Pension Fund Nearly Broke?

By VICTOR RIESEL

WASHINGTON, D.C. — There are men on the federal government's investigative joint high command now probing the Teamsters Union who believe the Chicago based pension fund could well be broke. Or, nearly bankrupt.

"It's a shaky business," said one member of the Interdepartmental Labor-Justice Committee staff. "We have not completed an analysis of the quality of their loan portfolio. We're still in the 'discovery' stage in addition to looking into the possible malfeasance of the old trustees which we're still assessing."

And by this time the investigators have examined well over 240 feet of the Teamsters' Central States Pension Fund loan records. That was up to July.

Today the documents, end-to-end, would cover a football field.

NO ONE NOW can judge how solid the fund's "asset-base" is, said one source.

This source chided the press for constantly demanding "flamboyant" results, swift exposure of underworld connections and quick court actions. He talked of the fund and its possible impact on the security of the 450,000 drivers covered.

And he warned of the dan-

ger to the nation's investment markets inherent in the government's probe of the Central States, Southeast and Southwest Areas Pension Fund. What dangers?

This source indicated the federals still have no way of knowing how much money the fund actually has now. He said it could be \$1.4 billion or \$1 billion or less. He disclosed that it had "invested" more than \$800 million in real estate — some of it "dubious."

HE DISCLOSED the government's joint civil-criminal investigative forces now are developing a "real estate workout." A dangerous matter — and delicate — he asserted. What if there were sudden disclosures? Another

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A-13
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source indicated there is one borrower "into the fund" for hundreds of millions of dollars. And, incidentally, into other national and local union pension pools for many millions more, making an "astronomical total."

"If this fellow goes (bankrupt) he'll take a lot of pension funds with him," said this official.

The federals point out they can't just walk in on the fund and set standards. Why? Because far more than the Chicago fund is involved. In all, in America there are over \$210 billion in pension funds. If these funds' trustees felt that the Labor and Justice Departments, working with the Internal Revenue Service,

had put down definitive guidelines for the Central States operation, these other funds would rush to follow — believing that these are the new standards which would conform with the almost unintelligible demands of the vast Employee Retirement Income Security Act (ERISA).

"Can you imagine what could happen to the nation's economy, the real estate field, the investment market, if there were sudden withdrawals and reinvestments of a couple of hundred billion dollars?"

"We would jumble everything. So we must move cautiously. We must be discreet so we don't put ourselves in a position of setting national standards by moving against the Chicago fund even though it has had underworld connections — and may still have.

"So while we aren't a little more flamboyant, we very definitely have at heart the interest of the nation and the scores of millions of workers covered by pensions. We could say to the teamsters' fund trustees this is just for you, etc., but 'etc.' could upset the whole nation. So, we believe if we set no hard standards we set off no stampede which could rock the nation's investment markets."

But none of this cuts the old former trustees off from liability for any previous imprudence. This doesn't end the probe. In fact, there are two indictments expected from the current Chicago grand jury and one case now similarly being heard in Orlando, Fla.

Nor does this insulate the fund's recently revamped board which retained some of

the old teamsters and trucking industry trustees.

THUS, THE Labor Department officials now are working with the IRS on subtle guidelines for new loans, for the "real estate workout" (liquidation) and for the diversification of the pension fund's hundreds of millions of dollars, as demanded by ERISA.

How does a pension plan diversify some \$800 million in real estate — much of it in hotels, motels, gambling casinos, acreage developments, and a large assortment of strange projects? Calling in those shaky loans, which the probers say are the result of "questionable practices" of previous trustees and perhaps some of the current ones, could bankrupt the fund.

Few realize that for a long time the Chicago operation worked on a pay as you go basis — that is, it didn't vest the money and merely paid the 40,000 to 65,000 retiring teamsters out of monthly income, piling up the extra money in many imprudent loans, it's said.

Please note that the International Brotherhood of Teamsters' central headquarters here, in Washington has taken mighty good care of its own money. IBT General Secretary-Treasurer Ray Schoessling often is angered by those who confuse the parent union's own investments with the loan policies of the Central States fund which covers the rank and file. The IBT itself doesn't invest in real estate developments, casinos or cemeteries. Last year its investments made an \$8 million profit.

This is mighty prudent. Too bad the message didn't get through to Chicago sooner. It is now.

(Mount Clipping in Space Below)

Lawyer Indicted in Union Loan

Chicago, Ill. —UPI— A federal grand jury Tuesday indicted the former assets manager of the Teamsters Central States Pension Fund on charges of taking a \$200,000 kickback from a California businessman who sought a \$1.3 million loan from the pension fund.

The indicted ex-official is Alvin Baron, a Las Vegas lawyer. Baron, 51, a former resident of Schaumburg, Ill., was accused of wire and mail fraud and of understating his gross income on a 1974 federal tax return.

The indictment charged Baron with unlawfully soliciting and agreeing to receive a \$200,000 kickback from Roy Bryant, the president and owner of Mount Vernon Memorial Park, a California corporation that operated a cemetery in Fair Oaks, Calif.

The indictment said the kickback was for a \$1.3 million loan from the pension fund. The loan was approved by the fund's board of trustees Dec. 12, 1974.

US Atty. Samuel Skinner, who announced the indictment, said the pension fund cooperated fully in the investigation.

Baron, described as a protégé of former assets manager Allen Dorfman, became the fund's top consultant and chief loan supervisor after Dorfman was convicted in 1972 of accepting \$55,000 in kickbacks to arrange an earlier loan.

The fund has been under investigation for several months because of irregular operating procedures and questionable loans.

In an effort to appease Justice and Labor department investigators, 11 of the 16 members of the fund's board of directors resigned and a new board made up of 10 members was appointed last month. Some of those who resigned had refused to testify to grand juries investigating fund irregularities.

One of those who resigned is Frank H. Ranney, formerly of Milwaukee. He has been reported ready to testify about the pension fund.

The fund counts 385,000 participants from more than 300 Teamster locals in 33 states, including Wisconsin.

(Indicate page, name of newspaper, city and state.)

A-15
MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

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FBI/DOJ

(Mount Clipping in Space Below)

Teamsters Bare Loans To Dreske

By DENNIS J. SIEG
Sentinel Staff Writer

Chicago, Ill. — Loans totaling more than \$9 million to Wisconsin borrowers by the Teamsters Union Central States Pension Fund are included in lists of investments and borrowers made public by the fund's executive manager here.

Most of the Wisconsin loans were to Elm Grove businessman George R. Dreske or businesses connected to Dreske.

Schwerman Trucking Co. of Milwaukee also has two loans with the fund.

Documents unveiled by Daniel Shannon, executive director of the \$1.4 billion pension fund, also indicated that Dreske was one of six borrowers involved in foreclosure actions by the fund in 1976.

The foreclosure involved a \$1.1 million loan on four parcels of real estate owned by Dreske in West Allis and Brookfield. The pension fund purchased the property last May at a sheriff's sale after Dreske defaulted on the loan.

Other loans involving Dreske were:

- \$1,875,000 in three loans to Dreske and his wife. Dreske owes \$1,137,008 on those loans, according to pension fund documents.

- \$1.6 million to GRD Enterprises, a company linked to Dreske, according to documents filed in Federal Court in Milwaukee. The fund listed \$23,500 as being due on that loan.

- \$2,850,000 to Bedford Realty Corp. Dreske was listed as president of Bedford Realty, a Nevada corporation, in documents filed in Milwaukee County Circuit Court. The firm, which owns real estate in Bedford, Va., owes \$2,581,634 on that loan.

Dreske, 56, of 1405 Greenway Terrace, Elm Grove, is a longtime friend of Allen Dorfman, a former consultant to the pension fund.

At a press conference earlier this week, Shannon indicated that the fund would sever its connections with Dorfman, who was convicted in 1972 of accepting a kick-back to help arrange a loan.

The fund listed loans of \$420,000 and \$1,374,300 to Schwerman Trucking. A total of \$1,267,534 was listed as being owed on those loans.

The fund also listed more than \$228 million in loans to California real estate ventures. Other loans involved Las Vegas casinos, including a \$26 million mortgage on Circus-Circus there.

(Indicate page, name of newspaper, city and state.)

A-9
Milwaukee Sentinel
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(Mount Clipping in Space Below)

Weird Deals Costly to Teamster Fund

By VICTOR RIESEL

WASHINGTON, D.C. — They say 215 pound Dan Shannon, of the late Mayor Richard Daley's machine and now executive director of the Brotherhood of Teamsters' notorious Chicago based pension fund, never loses his temper. Good.

Now he can calmly explain what I call double salarizing which brings him over \$100,000 a year from the pension money and its allied, virtually unreported, also Chicago based Health and Welfare Fund.

For being a part time executive director of the Teamsters Central States South-east and Southwest Areas Pension Fund, he drew \$61,638.43 in 1975. And as part time Welfare Fund executive director for the same areas and same 450,000 teamsters, at the same time Shannon got \$41,093.28.

NOTE THAT both funds are in the same teamster owned building.

Shannon is developing a reputation for being a tell-it-like-it-is fellow. That's good. Then he can tell us why his fund had on its payroll during this 1975 fiscal year one Alvin Baron as a consultant at the rate of \$78,750. That's on the pension fund tab. Last November, Baron was indicted on charges of soliciting and getting a \$200,000 bribe from a borrower.

Someone could argue that there's plenty of money in the fund. So why be niggardly? Well, that's the truck drivers' old age security money. Employers poured in over \$303 million last year. And another \$174.5 million of the truck owner's cash went into the Health and Welfare Fund. That comes close to half a billion annually.

SHANNON SAYS he handled all this cash with "caution, prudence and conservatism." Then why did the labor pension fund, now under concentrated U.S. Labor Department investigation, write off \$68.6 million as worthless assets in 1975? And another \$40 million the previous year?

That's almost 10% of the pension fund's total assets.

Now comes the question of funding the teamsters' security money. Under ERISA, the Employee Retirement Income Security Act, the funding must be solid. If the asset base decreases, then one of two results must inevitably develop: Either the employers must increase their contributions, thus increasing the cost of transportation of foods and equipment and thus escalating the public's cost of living.

Or — the monthly pension income on which teamsters now count for comfortable retirement must be slashed.

THERE'S LITTLE room here for a full list of the weird multi-million-dollar loans. Suffice it to ask how come a 34 year old Allen Gluck of San Diego and Las Vegas, who not too long ago was a \$200-a-week condominium salesman, could get loans for his Argent Corp. such as \$73.1 million the first time and \$25 million with no known backer. And he got millions more. In all, the Chicago pension fund lent him \$146 million.

What standards were used by Shannon's money lenders to give Gluck such vast sums? Have you tried to raise mortgage money recently? For they there are Alvin and Deborah Malmik. He's a big time Florida real estate operator. According to the 1975

pension fund record, they borrowed \$2.2 million on a first mortgage, "land and building." In the reported year they paid no interest and no principal. They were over due \$206,000 in interest. Why?

There are loans to other real estate operators totaling \$92.1 million to one company, \$106.5 million to another and inconsequential ones of \$15 million.

THERE ARE some petty cash items which intrigue the investigative soul. Such as \$32,465.28 paid to George Priestler Aviation Service for "fuel for airplane." And \$23,973.31 disbursed to K.C. Aviation for repairs.

Unless Shannon's staffers are drinking the stuff and repairing their swivel chairs, it sounds mighty like the use of a private airplane. Whose plane?

There's a separate item of \$150,931 for "repairs, maintenance and renewals." What are they repairing? What are they renewing? Consistent requests for documentation have been answered with polite replies like: "Oh, gee, haven't we sent you the material yet?" There doesn't seem to be any hardship in all this travel. The lads spent \$80,043 in 1975 for "Employees' food and travel expenses — net." There's also a welfare fund item of \$40,000 for "Employee Food Subsidy."

(Indicate page, name of newspaper, city and state.)

A-10

MILWAUKEE SENTINEL
MILWAUKEE, WISCONSIN

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THE PENSION fund bread
does get spread around. The
year's legal fees — before the
federal investigation started
— came to some \$1.9 million.
Handling hundreds of mil-
lions of dollars in real estate
transactions does take some
looking after — especially
when you begin analyzing
who really got big chunks of
cash.

It's all very absorbing.
Especially to the Internal
Revenue Service, which may
yet decide that some of the
guardians of the teamsters'
dollars are responsible for
moneys mismanaged.

Now don't worry. With
prudence and the federal in-
vestigators, the US attorney
in Chicago and the FBI look-
ing over the pension and wel-
fare fund management shoul-
ders and records, the retiring
teamsters' senior citizens
may still have a secure and
dignified old age.

(Mount Clipping in Space Below)

Fitzsimmons Quits Union Pension Unit

Washington, D.C. — UPI — Teamsters President Frank Fitzsimmons and three other men have agreed to resign as trustees of the union's largest pension fund under threat of legal action by the government, it was announced Sunday.

The Labor Department and the Internal Revenue Service announced the agreement, which was designed to correct suspected legal violations by trustees of the \$1.4 billion Teamsters Central States Fund.

The agreement stipulated that Fitzsimmons and three other men would resign as trustees — probably by next April 30. The remaining six trustees would supervise benefits paid by the fund, but the assets would be placed in the hands of independent professional investment managers.

In exchange for these concessions, the IRS promised to restore permanently the fund's tax exempt status and the Labor Department agreed to drop a threatened lawsuit and to discontinue its investigation into the current management of fund assets.

Labor Department attorneys said, however, the agreement did not preclude legal action against individuals suspected of past wrongdoing. The law holds fund officers personally responsible for money lost in imprudent investments.

The Labor and Justice Departments and the IRS have been investigating the

Central States Fund for more than a year on charges that trustees made imprudent loans to enterprises related to organized crime.

Government officials declined to discuss suspected legal violations uncovered by the investigation. But a Labor Department attorney said the government had enough evidence to take the case to court.

The investigation previously uncovered several suspected criminal law violations which the Justice Department has presented to a grand jury.

Fitzsimmons and the three other trustees — Teamsters Vice President Roy Williams, John Spickerman and A.G. Massa — were permitted to remain on the board during a government supervised fund reorganization last October.

A demand for the resigna-

tion of these four men was initiated by the new labor secretary, Ray Marshall, who was not satisfied with the reorganization plan approved under the previous administration.

The new agreement reached in negotiations between Teamsters officials and the government stipulated fund assets would be controlled by two professional managers, a mortgage banking firm and a bank of recognized national stature. It promised the fund's tax exempt status would be guaranteed, retroactive to Jan. 1, 1976, once all promises have been fulfilled. The IRS and Teamsters will continue to negotiate over the fund's tax status prior to 1976.

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A-1

Milwaukee Sentinel
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(Mount Clipping in Space Below)

Union's Funds In Lance Bank

Chicago, Ill. — AP — The scandal-ridden Teamsters Central States Pension fund deposited \$17.5 million last April in the National Bank of Georgia, from which Bert Lance resigned as president to become director of the federal Office of Management and Budget.

A spokesman for the fund confirmed Friday that \$23 million currently is invested at the bank, but denied any attempt to gain influence with the Carter administration.

"The decision to put money in that bank, as well as five other banks, was made on Feb. 23, 1976. It was no secret. Nobody knew then that Carter would be elected president," said spokesman Robert Billings.

Billings said the Atlanta bank was one of several that responded to letters sent out by Central States nearly 20 months ago, when the fund decided to invest more than \$200 million of its \$1.4 billion in assets with banks.

Asked why the fund selected the Atlanta bank, which is relatively small, Billings said,

"We had to go to some bank somewhere."

Lance, a longtime friend of President Carter, said in Washington that he talked with Daniel Shannon, executive director of the fund, when the money was invested with the bank's trust division. But Lance said he has

had no contact with fund personnel since taking office in January.

Lance also noted that although he was bank president when the Teamsters fund business was arranged, the deal was worked out by King Cleveland, then chairman of the bank.

Sam Simons, an official at National Bank of Georgia, said Central States approached the bank and "we responded to that approach, we negotiated and we won the business."

The fund has been the target of federal investigations for more than a year. Recently, Teamsters President Frank Fitzsimmons and other trustees agreed to quit the fund after the Labor Department threatened legal action.

(Indicate page, name of newspaper, city and state.)

A-3

Milwaukee Sentinel
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(Mount Clipping in Space Below)

Fitzsimmons Plans to Stay in Office

UPI, Washington Post
Washington, D.C.
Teamster President Frank Fitzsimmons, seeking to shore up support within the scandal ridden union, insists that charges of corruption will not force him from office.

Fitzsimmons' determination won him what was described as a rousing vote of confidence from 2,000 offi-



Frank Fitzsimmons

cials of union locals throughout the country Wednesday during an unusual three hour meeting that dissidents described as a pep rally.

Fitzsimmons said the meeting was called because of confusion among the members prompted by the media's failure to report accurately on union activities. He said officers felt that "we owed (local officials) the opportunity of such a forum to express themselves."

The dissidents, who picketed the meeting, earlier had filed an internal union complaint demanding Fitzsimmons' ouster on charges of nepotism, squandering funds and dealing with organized crime figures.

But top union leaders ignored the complaint, and Fitzsimmons announced that he intended to finish out his term and run for another in 1981.

The union and Fitzsimmons have been under pressure by the dissidents and federal investigators in connection with alleged mismanagement of pension funds. And the 1975 disappearance of former union boss Jimmy Hoffa remains under investigation.

Fitzsimmons has been forced by the Labor Department to resign as trustee of the union's largest pension fund.

In spite of the efforts by the union to provide a pep rally, grim faced sergeants-at-arms were blocking entrances and the dissidents picketing.

No one got a chance to see what was reported as a resounding, unanimous vote of confidence for Fitzsimmons and other leaders inside the closed doors at the Washington Hilton Hotel.

Instead, they saw pickets outside carrying signs reading "Clean Up Your Act" and "Throw the Bums Out."

Meanwhile in Detroit, a reputed crime syndicate kingpin was indicted with three other men for extorting pension money from members of a Teamster local that was the powerbase for Hoffa and Fitzsimmons.

Vincent Melli, identified before a Senate committee as a syndicate "capo" (captain), was charged along with two trucking company owners and a Teamster business agent in a plot to force truck drivers to pay employees' shares of contributions to union pension funds.

(Indicate page, name of newspaper, city and state.)

A-8

Milwaukee Journal
Milwaukee, Wisc.

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(Mount Clipping in Space Below)

Fitzsimmons Quits— Pension Fund Post

Washington, D.C. — UPI — Teamsters President Frank Fitzsimmons and three others formally resigned as trustees of the union's \$1.4 billion Central States pension fund Friday under threat of legal action by the government.

Fitzsimmons's resignation fulfilled an agreement he made with Labor Secretary Ray Marshall more than a month ago when he promised to step down as trustee by April 30 if the government permanently restored the fund's tax exempt status.

A last minute snag developed Thursday when the pension fund board passed a resolution that would have defied the agreement with the government.

Labor Department attorneys convinced Fitzsimmons to resign, however, by threatening to go to court Monday seeking an injunction against Fitzsimmons and other trustees.

The federal government has been investigating the Central States trustees since November, 1975, on charges they made imprudent loans — some of them to enterprises operated by organized crime.

All of the trustees who were administering the fund in 1975 have now resigned under government pressure, but government officials have not yet ruled out possible criminal or civil charges against them under the 1974 pension law.

Marshall said the resignations were needed to assure

the integrity of the fund. The assets recently were turned over to professional managers.

Resigning with Fitzsimmons were Teamsters Vice President Roy Williams and employer representatives John Spickerman and A. G. Massa. The six remaining trustees — three union and three employer representatives — were appointed last year under the first wave of government supervised resignations.

Fitzsimmons originally agreed March 14 that he and the three other men would resign and hire independent professional investment managers for the fund. In exchange, the government promised to restore the fund's tax exemption retroactive to Dec. 31, 1975.

(Indicate page, name of newspaper, city and state.)

A-3
Milwaukee Sentinel
Milwaukee, Wisc.

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(Mount Clipping in Space Below)

Fitzsimmons Resigns From Pension Fund

Washington, D.C. —AP— Teamsters President Frank E. Fitzsimmons and three other longtime trustees of the union's scandal scarred Central States pension fund resigned Friday, the Labor Department announced.

The resignations were part of an agreement with the government, which promised in return to drop plans for a lawsuit and to restore the fund's tax exemption.

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A-24

Milwaukee Journal
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(Mount Clipping in Space Below)

Teamsters Jockey for Leadership

North American
Newspaper Alliance

Washington, D.C. — Sides are beginning to form among Teamsters Union officials over the possible successor to union president Frank Fitzsimmons.

Recent events reportedly have made powerful union figures wonder whether Fitzsimmons' leadership may be a liability.

Fitzsimmons has three years of his term to complete. He has said on many occasions that he intended to complete his term and would not consider retiring.

Some union leaders feel that as long as he remains in office the union will be plagued by federal and congressional investigations.

Moreover, Fitzsimmons and other current and former trustees of the union's infamous Central States Pension



Frank Fitzsimmons

Fund may face federal prosecution.

Recently, Fitzsimmons faced a petition challenge from union dissidents who asked that charges against him be reviewed. The thousands of petition signatures have embarrassed some members of the union's executive board.

Last week a slate of candi-

dates he opposed won the Local 639 election in Washington.

Many union members feel the result is likely to be repeated in other local elections and see it as a rebellion against the Fitzsimmons leadership.

Last month, a group of dissidents in Fitzsimmons' own Detroit local almost pushed through a new set of bylaws, losing by only 55 votes out of 1,700.

Many executive board members are said to back Ray Williams, an international vice president from Kansas City, as Fitzsimmons' successor.

Fitzsimmons is believed to prefer Jackie Presser, a controversial union vice president from Ohio who once reportedly thought of challenging Fitzsimmons for the presidency.

(Indicate page, name of newspaper, city and state.)

C-10

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Teamsters' Funds Loss Is Feared

Washington, D.C. — UPI — Sen. Charles Percy (R-Ill.) reported Sunday some federal officials fear the \$1.4-billion Teamsters Central States Pension Fund may have lost as much as half of its assets in bad investments.

Percy, ranking minority member of the Senate permanent investigations subcommittee, made his claim in a statement issued prior to hearings Monday into the government's investigation of the fund.

Labor Secretary Ray Marshall was summoned to appear before both the Senate panel and the House Ways and Means oversight subcommittee this week to testify about the investigation.

These were the first such oversight hearings since Teamsters President Frank Fitzsimmons resigned April 29 as a trustee of the pension fund in a reorganization agreement sought by the Labor Department.

Percy said the Teamsters' pension fund has a reputation for making loans to Las Vegas casinos, dog tracks and risky real estate developments — returning a profit of only 4.9% between 1960 and 1974.

He also repeated allegations that large sums of money were lent to organized crime figures.

(Indicate page, name of newspaper, city and state.)

A-2

Milwaukee Sentinel
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(Mount Clipping in Space Below)

Officials Aghast At How Teamster Fund Made Loans

By VICTOR RIESEL

WASHINGTON, D.C. — There are government officials who believe that Jimmy Hoffa was dissolved almost exactly two years ago because he knew too much about some 600 Teamsters' pension fund loans worth over \$900 million. More than half of these went to a handful of cronies and allegedly to crime syndicate families and over 300 were made in Nevada (meaning Las Vegas) and California.

Sources for all this are credible men, the few outsiders who have seen what passes for the Chicago-based Central States Pension Fund files. After examining the fund's real estate dossiers, they describe them as incredible and unorthodox.

Without Hoffa, it will be years before anyone really knows who got which scores of millions of teamster dollars. And why.

I AM TOLD that one multi-million-dollar loan, for example, had a folder with "three pieces of paper in it." Federal experts accustomed to three inch dossiers on simple loans were aghast.

Substantial loans were made by the fund's old asset managing people over the telephone, investigators say. And on a 24-hour basis. One New York restaurateur allegedly got some four or five million dollars by telephoning a high teamster official who said what "Toots" wants he gets.

My source says there are loans with but single scraps of paper describing each of them; loans made with no appraisal at all of the real

estate involved" and "a loan made to an operator who had two previous loans but was on default and who got a third loan atop that and we are now talking in the millions of dollars." And that's for beginners.

"The rudimentary documentation is incredible and inconceivable until you see it," the source said. "Actually, I believe there are loans in there with no documentation at all. And the managers today say they have no explanation. They say they made mistakes in the past and now the fund is well run."

FASCINATEDLY, I listened to the description of the fund's lack of financial procedure described as the worst in the money business. Allegedly the trustees would designate the recipients of loans and "besides that they didn't pay any further attention."

Large sums of money were lent to little known borrowers. These real estate loan losses could total at least \$250 million, it was said. However, Sen. Charles Percy in his statement the other day puts the possible investment loss between "\$500 million and \$708 million."

My source literally gasped as he said:

"What's incredible about it is that there are things you can do right or wrong. They did it wrong. They charged interest rates below the market. Or charged no interest.

"Well, they even made mistakes in addition. And left them. Just everything awry. If something could be done



Jimmy Hoffa

wrongly, they did it up to a few years ago. Can you imagine no appraisal on property on which they were lending millions of dollars?"

SEN. PERCY'S own probe discloses that "millions have also been invested in a failing Chicago hotel whose construction was financed by a bank which had a fund trustee serving on its board of directors. Millions were loaned to a firm which allegedly gave at least one trustee a gift of substantial stock."

So the Internal Revenue Service and the Justice Department's criminal divisions are subpoenaing the records of the individual borrowers. Then will come the endless tracing of intricately interwoven books of holding corporations which borrowed money by the truckload — like \$15 million, \$20 million and \$60 million at a time.

Then will come the legal moves for restitution. But from whom and from what? From bankrupt companies? From race tracks or dog tracks or all those real estate and gambling dens of men who knew the old New

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York-Hollywood mob or had invisible angels?

THUS, ACCORDING to estimable, and now somewhat transfixed authorities who say "I still believe a million dollars is a lot of money," the Chicago based Central States Pension Fund is in difficulties despite the management's reformed and modernized operation.

Sen. Percy, for example, believes that it may well be that new teamsters will have to work 30 years or until they are 65 to get their full pension, compared with the current 20 years and retirement at 57 on full pension.

Take a hard look at that last sentence. Hundreds of thousands of truckdrivers who have been counting the

miles and hours to retirement soon may face another decade on wheels.

And all the authorities say the press has been the crusading force and most of its investigations and charges are accurate.

Now we know why some teamster leaders keep saying, "The hell with the media." So where is Jimmy Hoffa?

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/5/73

The records of [redacted]
[redacted] were reviewed and the following information obtained for [redacted]

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b7C
b7D

[redacted] Florida

This is an [redacted]

The above records are confidential and can only be obtained through the issuance of a subpoena duces tecum. This subpoena should be directed to [redacted]
[redacted]
[redacted]

201

Interviewed on 3/26/73 at Ft. Lauderdale, Florida File # Miami 92-3684 - 3
by SC [redacted] mad Date dictated 3/30/73

b6
b7C

Memorandum

DATE:

FROM SAC, MILWAUKEE (92-171)

☐ RUC

SUBJECT SAC, MIAMI (92-3684) (RUC)

☒ File Destruction Program

CRIMINAL INFLUENCE IN INTERNATIONAL
BROTHERHOOD OF TEAMSTERS LOCAL 200,
MILWAUKEE, WISCONSIN
AR
(OO: MILWAUKEE)

Enclosed are 4 items.

These items are forwarded your office since:

☐ All logical investigation completed in this Division☒ You were OO at the time our case was RUC'd.

Enclosures are described as follows:

4 FD-302s
1 Lab Reports
1 Fingerprint Reports
1 1A Exhibits

Enc.

NOTE: DO NOT BLOCK STAMP ORIGINAL ENCLOSURES

92-171 - 202-

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 11 1977	
FBI-MILWAUKEE	

(Mount Clipping in Space Below)

Teamster Official Rips US Suit

United Press International
The administrator of the Teamsters Union Pension Fund denounced the government's suit against the fund Wednesday as part of "a blatant government smear campaign."

The administrator, Daniel J. Shannon, promised to "disclose the political motives and pressures that lie behind the vicious slander of the government's complaint."

"I intend to fight personally for the vindication of all persons innocent of these reckless charges," Shannon said at the fund's office in Chicago.

Labor Secretary Ray Marshall said the suit did not preclude criminal prosecution. However, the suit does not attempt to remove the defendants from office or put them in jail. It seeks to recover millions of dollars squandered in bad loans made by the Central States fund, the pension fund.

The suit was filed under provisions of the 1974 federal

law setting standards for pension funds.

Sources said the amount could run to \$500 million, and even Marshall was not hopeful of recovering the full amount. "You can't get blood out of a turnip, but we'll try to get as much as we can," Marshall said in Washington.

Frank Fitzsimmons' presidency of the Teamsters was not directly jeopardized by the suit. "We're stuck with him," a Teamster shouted at Marshall after the announcement.

Fitzsimmons said in a statement that the union was "singled out as a test case" despite evidence of worse problems in other pension funds. He insisted the fund was solvent and said his actions "met the highest fiduciary standards."

The suit, filed in Federal Court in Chicago, culminated a two year investigation into bad loans made by the Central States fund, which was accused of investing "hundreds of millions of dollars" in real estate deals

and other risky enterprises — some of them linked to organized crime.

It represented the toughest federal crackdown on the Teamsters since the imprisonment of former boss Jimmy Hoffa. It also marked the biggest suit filed under the 1974 pension law, naming 19 present or former union officials.

(Indicate page, name of newspaper, city and state.)

A-2

MILWAUKEE JOURNAL
Milwaukee, Wisc.

Date: 2/2/78
Edition: Latest

Title:

Character: 203
or 92-171-203
Classification: Milwaukee
Submitting Office:

INDEXED
FILED

FEB 3 1978

MI only

(Mount Clipping in Space Below)

\$178 Million in Loans Shaky

By RICHARD BRADEE
Sentinel Washington Bureau

Washington, D.C. — Real estate loans worth more than \$178 million made by the Teamster Union's Central States Pension Fund are listed as "doubtful" in a new trustees' report.

The trustees told the U.S. Labor Department this week that "collection is doubtful" on the loans made before the government forced appointment of new managers for the \$1.5 billion fund.

Wednesday, the Labor Department filed a civil suit against the former trustees, including Thomas J. Duffey of Milwaukee and former Milwaukee Teamster leader Frank H. Ranney.

The department is seeking a court order directing each of the former trustees to reimburse the pension plan personally for all losses that resulted from alleged breaches of their fiduciary duties.

The complaint did not state an amount that the government hoped to recover.

The new report, filed this week, covers the period from Jan. 31 to Dec. 31, 1976. The Labor Department and Internal Revenue Service agreed to a series of delays requested by the trustees and accountants.

Even with the delays, the accountants gave what a department official described Friday as "a highly qualified"

certification of the report's accuracy.

They said the value of the fund's investments could be "significantly more or less" than stated in the report because of uncertainty about the true value of mortgages, real estate and companies the fund owns.

Doubtful mortgages, according to the trustees, include \$68,494,000 loaned on hotels, motels and resorts,

and \$40,347,000 loaned on land.

On Dec. 31, 1976, the pension fund held \$714,509,000 worth of real estate mortgages, including \$178,286,000 in the doubtful category.

The trustees said the fund had taken over land development and cable TV ventures that had borrowed a total of nearly \$107 million from the fund.

About one-third of the real estate loans were made in the state of Nevada, where the Teamsters have substantial investments in gambling casinos.

According to the trustees, the fund invested \$230,276,000 in hotel casino operations before the government forced a halt to such investments late in 1976.

The pension fund disposed of many smaller loans during 1976, the report said, and made new real estate loans only to fill commitments made earlier.

As the Teamsters have reported in the past, the fund

has a few Wisconsin investments, including a \$1,167,000 mortgage on the Schwerman Trucking Co. and the George R. Dreske property, assumed after a loan of more than \$1 million went into default.

In addition, the Teamsters provided millions of dollars of business to Milwaukee banks.

The fund had a \$2 million certificate of deposit at the First Wisconsin National Bank that paid 6.25% interest, according to the report. The certificate was due Jan. 4, 1977.

The fund also had \$1.3 million worth of certificates at the Midland National Bank in Milwaukee, now First Bank — Midland. They paid interest of about 5.5%.

Other certificates included \$100,000 at the University Bank in Milwaukee and \$600,000 at the First National Bank of Cudahy, at rates from 6% to 6.65%.

The report also listed a \$500,000 long-term note that paid 9.6% interest at University National Bank.

No address was listed for that bank and the report did not indicate whether it was the same Milwaukee bank the Teamsters used for deposits.

(Indicate page, name of newspaper, city and state.)

A-1

MILWAUKEE SENTINEL
Milwaukee, Wisc.

Date: 2/4/78
Edition: Final

Title:

Character:
or 92-171-204
Classification: Milwaukee
Submitting Office:

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 5 1978	
b6 b7C	

MI only

(Mount Clipping in Space Below)

Former Teamster Aide To Battle Pension Suit

By MIKE FLEMMONS
and JIM MORICE

Thomas J. Duffey, a former state representative and county supervisor, walked into his newly appointed law office on E. Wisconsin Ave. Thursday afternoon and saw on his desk a newspaper with a banner headline reading:

"Sue Teamster executives."

Duffey's name was among 13 listed in a US Labor Department suit alleging questionable loan transactions involving the Teamsters Union's \$1.65 billion Central States Pension Fund.

"Of course," Duffey said, "I'm going to fight this. But I'll do my talking in the court papers."

"I'm going to defend this thing vigorously. When somebody sues you for millions of dollars, you don't slough it off," he said.

Also named in the suit was Frank H. Ranney, former secretary-treasurer of Milwaukee Teamster Local 200. Duffey and Ranney were members of a committee during the early 1970s that ap-

proved financial transactions of the pension fund.

Duffey said that as a former trustee of the fund he "had a lot to do with the destiny of union members and their pensions."

Custody in Changeover

He was a trustee from 1932 to 1976, when he and other board members were ousted in a reorganization move.

In recent years, Ranney has lived in Coral Springs, Fla. but he makes frequent trips to Milwaukee. Duffey said he had not talked to Ranney about the suit.

The Labor Department is suing Duffey and the other pension fund executives for "all losses stemming from the failure of these trustees and officials to carry out their fiduciary obligations in managing the fund," according to US Labor Secretary Ray Marshall.

Duffey retired from his seat on the Milwaukee County Board in 1968 to resume private law practice. Before becoming a county supervisor, he served in the State Assembly for six years.

I'm Concerned

"This is not something unfamiliar to me in my own practice," Duffey said. "You always start out looking for a big figure, then go down."

"Do I look like I'm worried? For the record, you can say I'm concerned. But you come back in three years, and you'll be asking how the government could do this. They've spent millions on this case. Just come back in three years."

Duffey picked up the newspaper article and read parts of it. His name was mentioned only once. That is somewhat typical. Although he has been a longtime counsel for trucking employers and unionists, Duffey has received little exposure in his role with the Teamsters.

He received \$69,163 in 1976 for his work as a pension fund trustee, more than any other trustee, according to a report filed last month with the Labor Department.

"Right now, I'd say I represent about 30% of the trucking firms in Milwaukee," he said. "I've represented trucking companies for years. That's how I got involved in the pension fund."

"I was appointed to the board of trustees (in 1962) as an employer's representative. The board is split, with some trustees representing employees, some employers," he said.

Defends Fund

Although he would not discuss loans and investments specifically, Duffey defended the pension fund.

"It's in a lot better shape than most government plans, a better shape than the Social Security fund."

Central States Pension Fund loan activity has not

been as prominent in Wisconsin as in some other states. No Wisconsin transactions were listed among about 20 loans cited in the suit as examples of allegedly questionable practices.

However, there has been one instance of a defaulted Teamster loan here.

That loan involved four parcels of land in West Allis and Waukesha sold at a sheriff's sale to the Central States Pension Fund in May 1976, to satisfy a debt of \$1,341,566.

The parcels were originally owned by George A. Dreske, an area businessman and investor, who mortgaged the land for \$1.1 million to the First National Bank of Omaha early in 1970.

(Indicate page, name of newspaper, city and state.)

A-5

MILWAUKEE SENTINEL
Milwaukee, Wisc.

2/3/78

Date: Final

Edition:

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Character:

or

Classification: Milwaukee
Submitting Office:

92-171-205
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FEB 1978

1-WA-92-5375
①-MI-92-171

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AUKER
FBI/DOJ

Page Two
1-WA-92-5375
1-MI-92-171

Central States purchased the loan in October of that year. According to an assignment of real estate mortgage filed with the Milwaukee County register of deeds office, Dreske owed \$961,000 in principal and \$67,908.09 in interest on the loan at the time it was purchased by the Teamsters.

Trustees of the pension fund brought suit against Dreske in 1974 after he failed to meet the provisions of the loan. According to the complaint filed by the trustees, Dreske owed \$921,543 on the loan through Nov. 16, 1973.

In June, 1974, Milwaukee and Waukesha County Circuit Courts found in favor of the pension fund and ordered the land sold at a sheriff's sale. The pension fund was the high bidder at the sale and has subsequently sold much of the land, according to records.

(Mount Clipping in Space Below)

Teamster Funds' Trustees Fire Director Escalation Seen in Union Control Battle

By JIM DRINKHALL

Staff Reporter of THE WALL STREET JOURNAL

In a move bound to plunge the Teamsters union deeper into controversy, trustees of the union's giant Central States Pension Fund and its companion Health and Welfare Fund fired Daniel J. Shannon, executive director of both funds.

The measure follows closely the Health and Welfare Fund's unpublicized \$4.5 million insurance contract renewal involving controversial businessman Allen Dorfman that Mr. Shannon had tried to block.

The action, according to sources, came at the regular monthly board meeting of both funds yesterday in Chicago.

The move is seen by veteran union watchers as a sharp escalation in the struggle to see who will control the two million-plus member labor organization when its current president, Frank Fitzsimmons, retires. Teamster insiders said late last year that his resignation was imminent.

The two most powerful Teamster leaders contending for the top spot are Jackie Presser and Roy Lee Williams. According to sources, Mr. Williams is a staunch ally of Mr. Dorfman, while Mr. Presser wants Mr. Dorfman out because of the notoriety he brings the Teamsters.

Mr. Shannon, a 43-year-old accountant, originally had been hired in 1973 as executive director, but had never been allowed much authority until early 1975. Prior to that, he had instituted administrative changes at both funds.

Last year, a Labor Department investigation forced a housecleaning at the pension fund that resulted in the forced resignation of all the fund's longtime trustees, including Mr. Fitzsimmons, and placement of the management of the unit's \$1.4 billion in assets with Equitable Life Assurance Society of the U.S.

The Labor Department started a probe of the Health and Welfare Fund last July, particularly its relationship with Mr. Dorfman, 55, whose insurance companies process claims of union members. Mr. Dorfman, the symbol of the influence of organized crime in the union, has long played a key role with both funds, and went to prison in 1973 after a conviction for his part in defrauding the pension fund. The current investigation into the Health and Welfare Fund has been temporarily stalled because Mr. Dorfman has refused to honor the Labor Department's subpoenas of his records.

In February, the Labor Department filed a civil suit in federal court alleging that the former pension fund trustees as well as Mr. Shannon violated their fiduciary duties and allegedly mismanaged millions of dollars of the fund's money.

Several grand jury inquiries are pending that involve alleged irregularities in pension fund loans. One probe is focusing on Mr. Fitzsimmons' friendship with a Washington, D.C., area contractor, and another on allegations that the Teamsters chief lied in testimony before a Senate subcommittee last November.

Just before the Labor Department opened its probe, the Health and Welfare trustees, in a surprise move, voted a 10-year extension of the multimillion-dollar insurance service contract of Mr. Dorfman's Amalgamated Insurance Agency Services Inc. The resulting publicity and Labor Department threat of legal action apparently caused the trustees to withhold a final agreement, though they didn't rescind the vote.

In January 1976, Health and Welfare Fund trustees voted a three-year extension of Mr. Dorfman's contract that would expire in February 1979. When Mr. Shannon's authority was greatly expanded in 1975, according to sources, one of his first moves was to urge the trustees to look for another company to process the union's claims.

According to fund documents, Mr. Shannon caused the fund's lawyers to declare the third year of the Dorfman contract invalid, thus changing the expiration date to February 1978.

But in a little-noticed meeting this January, the Health and Welfare trustees voted a one-year extension of Mr. Dorfman's contract. According to the \$4.5 million agreement, Mr. Dorfman's Amalgamated Insurance Agency Services will receive \$450,000 a month to process claims.

In addition to these fees, Mr. Dorfman receives an unknown amount from writing "add-on" insurance for union members, coverage he sells them above what the Teamsters provide. Another Dorfman company, American & Overseas Inc., receives commissions for placing the property and liability coverage for most of the 500 pension fund borrowers plus properties taken over by the fund through foreclosure. The value of these properties is about \$1 billion, according to fund records.

(Indicate page, name of newspaper, city and state.)

A-13
WALL STREET
JOURNAL
New York, N.Y.

Date: 4/20/78

Edition:

Title:

Character:

or

Classification: 92-171-20

Submitting Office: Milwaukee

SEARCHED	INDEXED
SERIALIZED	FILED
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MI only

Besides Mr. Shannon's repeated efforts to sever all relationships between the funds and Mr. Dorfman, another action apparently precipitated the firing of Mr. Shannon. This was Mr. Shannon's testimony before a Senate subcommittee investigating the alleged theft of Teamsters insurance premiums by promoter Joseph Hausér.

In his remarks, Mr. Shannon strongly voiced his objection to any association of the union funds with Mr. Dorfman because of Mr. Dorfman's notoriety and the claims problems he said the Health and Welfare Fund was having with Amalgamated. Shortly afterward, sources say, the fund's trustees informally voted among themselves to fire him.

Though Mr. Shannon declined to be interviewed, his associates and friends say the temperature chilled considerably between him and the trustees since that testimony. One person said: "Dan (Shannon) always said Dorfman and his influence at that place was the heart of the problem. Now he (Shannon) says he sees his Senate testimony as signaling his eventual, inevitable demise."

In an effort to pressure Mr. Shannon out, sources say, the trustees dissolved the funds' public relations department in March. "Since he credited it," says one Teamsters official, "they (the trustees) thought it would be a message to him." Currently, inquiring reporters are told to put any questions in writing and they'll be "taken into consideration."

In another apparent attempt to reverse changes made by Mr. Shannon, sources say the trustees are planning to replace the accounting firm of Arthur Young & Co. with the funds' former accountant, the New York City two-man firm of Silverberg & Levin. Also, they plan to bring back the funds' former actuary, Max Kunis.

Union sources say a behind-the-scenes jockeying for top position in the union is under way between Mr. Williams, identified in government reports as closely associated with organized crime, and Teamsters Vice President Jackie Presser, 51, son of William Presser. The elder Mr. Presser has long been described as one of the most powerful figures in the union.

(Mount Clipping in Space Below)

Teamster Fund Dropping Chief

Chicago, Ill. —UPI— Daniel Shannon, hired to reform the investment policies of the Teamsters' Central States Pension Fund, has resigned under pressure as executive director.

The fund's board, composed of five union and five management representatives,



Daniel Shannon

reportedly blamed him for failure to improve the image of the scandal scarred fund.

Hired in 1973 at \$135,000 a year, Shannon tightened investment and loan procedures and helped negotiate a government ordered reorganization. The fund has been the target of government criminal and civil actions and congressional inquiries because of improper loan practices and reputed ties to the underworld.

(Indicate page, name of newspaper, city and state.)

B-2

MILWAUKEE JOURNAL
Milwaukee, Wisc.

Date: 4/21/78
Edition: Latest

Title:

Character:

or

Classification: 92-171-20
Submitting Office: Milwaukee

SEARCHED	INDEXED
SERIALIZED	FILED
APR 21 1978	
b6 b7C BI/DOJ	

MI only

(Mount Clipping in Space Below)

Mob-Union Link Regains Strength

UPI, AP, New York Times

Washington, D.C. — Organized crime and labor racketeering — a connection revealed during televised congressional hearings in the late 1950s — has regained a stranglehold on many union locals, government investigators say.

"The same schemes and the same faces and the same tyranny dominate the field of labor racketeering today as they did during the original McClellan Committee hearings," Justice Department lawyer Robert Stewart told the Senate Permanent Investigations subcommittee.

Labor Secretary Ray Marshall told the senators that his department was fully committed to the fight against labor racketeering. But he said the problem would not be solved just by sending mobsters to jail, because others would take their places.

Wants Causes Attacked

"We need to work out a program that strikes at the root causes" of organized crime's influence in the labor movement, Marshall said. He listed two possible root causes, as inadequate controls over pension and other trust funds, and the opportunity for kickbacks in awarding work.

The subcommittee was told by others that poor coordination between the Labor and Justice Departments had hindered government enforcement of the Landrum-Griffin Act, which set down severe penalties for criminal activity in labor unions. The

measure was enacted after the 1950s hearings.

Nine heads of Justice Department organized crime strike forces described "sweetheart" contracts, "ghost" workers, kickbacks, payoffs and intimidation in union locals. Most blamed the Labor Department for hurting efforts to clean it up.

Program Still Active

Benjamin Civiletti, acting deputy attorney general, said about 300 of the 75,000 locals across the country were heavily influenced by racketeers.

The federal government's organized crime strike force program "is alive and well, and ... we have intensified our efforts in the area of labor-management racketeering," Civiletti said.

He said he approved of a Labor Department plan to create an Office of Special Investigations and to add 125 employees to work with strike forces around the country.

Marshall originally recommended cutting strike force participation to 15 workers, but his proposal brought heated criticism from the law enforcement community.

Chicago strike force chief Peter F. Vaira, designated to succeed David Marston as US attorney in Philadelphia, said the Chicago crime syndicate controlled almost every major local of three international unions.

"The most frightening aspect of this control is that the corrupt union leaders are accepted by many as legitimate members of the business community, and wield enormous political power," he said.

(Indicate page, name of newspaper, city and state.)

C-12
MILWAUKEE JOURNAL
Milwaukee, Wisc.

Date: 4/27/78
Edition: Latest

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Character:

or

Classification:

Submitting Office: Milwaukee

SEARCHED	INDEXED
SERIALIZED	FILED
APR 29 1978	
FBI-MILWAUKEE	
FBI/DOJ	

208
①-MI-92-171-208
1-MI-92-262-Sub A
MI only

(Mount Clipping in Space Below)

Teamster Fund Gets New Boss

Chicago, Ill. —AP— Trustees of the scandal-ridden Central States Teamsters pension fund have announced the appointment of John E. Dwyer, a St. Louis accountant, as executive director of the retirement fund.

He replaces Daniel J. Shannon, who resigned last month, reportedly after a feud with Teamster bosses and a new 10 member board of trustees appointed under pressure by the federal government to clean up the fund.

Dwyer reportedly is a close friend of longtime international vice president Roy L. Williams, who resigned from the pension board along with union president Frank E. Fitzsimmons a year ago after pressure was applied by the US Labor Department.

(Indicate page, name of newspaper, city and state.)

C-14

MILWAUKEE JOURNAL
Milwaukee, Wisc.

Date: 5/19/78
Edition: Latest
Author:
Editor:
Title:

Character:

or

Classification: 92-171209
Submitting Office: Milwaukee

☐ Being Investigated

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SERIALIZED	FILED
MAY 20 1978	
FBI-MILWAUKEE	

FBI/DOJ

MI only

MI 92-171 ✓

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On December 13, 1978, [REDACTED] was contacted and advised as follows:

b7D

Recently, Local 200 of the International Brotherhood of Teamsters held its annual Christmas Party for its members. This year the party was held at the Center Stage located on North Third Street; this location is owned by FRANK BALISTRIERI.

According to this source, the cost for this party was approximately \$25,000 or \$30,000. Source stated that this is a very excessive amount for a party of the size that was held. Source is of the belief that the excess in cost was in fact a payment to BALISTRIERI from the Teamsters Union.

[Handwritten signature]
1/4/79
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92-171-210
JMD
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[REDACTED]
SERIALIZED [initials] FILED [initials]

(A)

Memorandum

TO : ACTING SAC, MILWAUKEE (92-171)

DATE: 1/10/79

FROM : SA [REDACTED]

b6
b7CSUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS (LOCAL 200)
MILWAUKEE, WISCONSIN
AR (A)

OO: MILWAUKEE

A review of captioned matter reflects no active investigation conducted regarding this case since 1974. Investigation discontinued per closing Milwaukee report of SA [REDACTED] dated 12/6/74.

b6
b7C
b7D

On December 13, 1978, [REDACTED] furnished the following information to SA [REDACTED]. Recently, Local 200 of the International Brotherhood of Teamsters held its annual Christmas party for its members. This year the party was held at the Center Stage located on North Third Street. This location is owned by FRANK BALISTRIERI. According to source, the cost for this party was approximately \$25,000 to \$30,000. Source stated that this is a very excessive amount for a party of the size that was held. Source is of the belief that the excess in cost was, in fact, a payment to BALISTRIERI from the Teamsters Union.

On 1/3/79, SAs [REDACTED] and [REDACTED] discussed investigative possibilities regarding the Teamsters with Organized Crime Strike Force Attorney [REDACTED] (United States Department of Justice-Chicago). [REDACTED] stated that the Teamsters, more than any other labor union, is connected to organized crime, however, because of this, has been the most heavily investigated and consequently is the most adept at covering up evidence of wrongdoing. Teamster Union records are usually impeccable, according to [REDACTED].



8/- Milwaukee
JWF/mbc
(2) mbc

92-171-211
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SERIALIZED FILED

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MI 92-171

unlike the Longshoremen whose records revealed numerous instances of double billing on the part of union officials holding several union positions and traveling on union business, submitting multiple travel vouchers for the same trip. With respect to FRANK RANEY of the Teamsters Local 200, [] stated he feels there is substantial opportunity for RANEY to be involved in criminal violations of union and federal regulations, however, doubts a review of union records would reveal same unless specific information concerning the violations could be obtained in advance. He does not desire to issue a subpoena for records without such information.

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b7C

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b7C
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[] stated that he feels an investigation into Teamster activities could be productive with respect to organized crime in the Milwaukee area. He recommended that such an investigation be conducted. Accordingly, active investigation will be initiated into the activities of Teamsters Local 200 concentrating initially on that information furnished by []

(Mount Clipping in Space Below)

Teamster dissent: Heat grows hotter

DETROIT (AP) — At a Teamsters union banquet, a man walks up to attorney Ann Curry Thompson, douses her with motor oil, hits her on the head with an empty bottle and strolls away.

Her clients include a group of insurgents called Teamsters for a Democratic Union.

When Jean Clark runs for union office in Detroit, the incumbent asks her to pull out. She refuses. The next day, her employer tells her there is no more overtime for her. Then, a Teamster business agent tells her she must resign as union steward. Again she refuses.

She is running on the TDU slate.

Teamster officials deny the union had anything to do with those incidents, but TDU organizer Ken Paff claims they reflect the growing concern of entrenched Teamster officials

growing. They claim only 3,500 active members among the more than 2 million Teamsters.

But last year, dissidents in Flint, Mich., including several TDU candidates, swept incumbents out of office at 4,000-member Local 332. In all of Michigan, where there are 100,000 Teamsters, the TDU claims only 600 members — 500 of them in Detroit, its biggest chapter.

Last year, in Oklahoma City, four of seven TDU candidates won. In Green Bay, all four TDU candidates won. In Vancouver, British Columbia, three of five insurgents won and then promptly joined the TDU.

Last month, in Pittsburgh, a TDU candidate was elected to the executive board of the 6,500-member Local 249 of the Teamsters. But a TDU candidate for the presidency of that local lost.



Ken Paff

about his small group, which is pledged to turn the hierarchy out.

"Our job is to get the silent majority," says Paff. "We want to give the union back to the members."

The dissidents say their power is

Teamsters for a Democratic Union had its origins in a 1975 meeting of about 40 Teamsters and independent truckers. Distrustful of the union hierarchy in coming negotiations, they formed Teamsters for a Decent Contract.

In March 1976, Detroit members stayed on strike briefly after Teamsters President Frank Fitzsimmons told them to return to work. Then, in September 1976, after the next Teamsters convention in Las Vegas, the dissidents staged their own convention at Kent, Ohio, and formed the TDU in September 1976.

Paff, 32, is TDU's only full-time organizer. He says goals for the next six months are to double membership,

Turn to Page 2, Col. 5

(Indicate page, name of newspaper, city and state.)

WISCONSIN STATE
JOURNAL

Madison, Wis.

Date: 1/9/79
Edition:

Title:

Character:

or

Classification:

Submitting Office:

92-171-212

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 11 1979	

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FBI/DOJ

Continued from Page 1

local union elections and influence the course of contract talks.

Paff teams with Pete Camarata, a 285-pound loading dock worker who gained TDU its first publicity in 1976 by being the only one of 2,750 delegates to oppose Fitzsimmons' re-election at Las Vegas. On the last day of that convention, he was beaten in front of the Aladdin Hotel and Casino as Fitzsimmons climbed into a car a few feet away.

Now, Camarata says he'll run against Fitzsimmons in 1981.

"If there was an open election, Frank Fitzsimmons wouldn't stand a chance," said Paff in TDU's Detroit office. "I think you could stand out there all day, ask the drivers and couldn't find one who would vote for Fitzsimmons — and this is his town."

TDU leaders insist they want to reform the union, and Paff says the TDU wants "to rewrite the international constitution" — to prohibit holding multiple union jobs, to ban patronage, to prohibit membership for convicted felons and to elect the president by vote of the entire membership, not just convention delegates.

"Last time we were one vote. By 1981, we want to be a force, not the biggest force, just a force," says Paff. And he adds that by the 1986 convention, the TDU may be able to throw the old guard out.

Camarata is a co-chairman of TDU's steering committee, and a steward in Local 299 here — the home unit not only of Fitzsimmons but of missing ex-Teamsters boss James R. Hoffa.

With 500 members, it is TDU's largest chapter, and Hoffa's rank-and-file popularity is a point not lost on the TDU. Its members frequently tout their cause with favorable references to him.

Hoffa, when he went to prison in 1967, entrusted union leadership to Fitzsimmons and later resigned as president, letting Fitzsimmons be elected on his own. But when Hoffa went free, he accused Fitzsimmons of having conspired with the Nixon White House to write a restriction into his parole barring him from union activity until 1980 — an allegation Fitzsimmons denied.

After Hoffa vanished in 1975, federal investigators said they believed he was slain by organized crime figures who wanted the Teamsters power structure undisturbed.

Now Camarata fights in Fitzsimmons' home base. He lost a bid for the local vice presidency in 1977. Last year, 63 percent of those voting — just short of the needed two-thirds — favored a TDU-inspired call for elected, rather than appointed, business agents. Camarata says another such

drive will be mounted this year.

One reason TDU members say, is that Fitzsimmons has become uncertain of how he would be received in his home local. "There's a lot of old Hoffa supporters here," says Camarata. "And Fitzie doesn't like being seen with me. He's a finicky old guy."

Meanwhile, the hierarchy accuses the dissidents of being radicals. Paff says he is in a group called International Socialists but his political views have no relevance to the drive to reform the union.

Fitzsimmons' other swipes at dissidents include this statement on Oct. 5, 1978:

"These liars and cheap-shot artists . . . call the best pension plans in America a sellout . . . N They call the most democratic institution that God ever put on this earth a tyranny . . . They call me a tool of organized crime . . . I call them a pack of lying jackals . . . N It is obvious that their sole mission is to try to tear the Teamsters union apart."

MI 92-171

JMD/djs

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On January 4, 1979, [] was contacted and advised as follows:

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Source advised that Teamsters Local 200 have held their Christmas parties at the Center Stage for the past five or six years.

Source reiterated that the union paid approximately \$20,000 for this year's party.

92-171-213

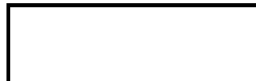
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SAC, MILWAUKEE (92-171)-P

1/29/79

SA [REDACTED]

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CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD
OF TEAMSTERS (LOCAL 200)
MILWAUKEE, WISCONSIN
AR (A)

OO: Milwaukee

Attached for the lead Agent is a copy of a "Wisconsin State Journal" article, dated 1/9/79 (serial 212), setting forth information involving the International Brotherhood of Teamsters, specifically regarding a dissident organization - Teamsters for a Democratic Union.

Milwaukee has recently reopened an investigation into Teamster activities, particularly as these activities relate to organized crime. Investigative emphasis is being placed on any illegal payments (examples being "Sweetheart Contracts" and misuse of pension funds and benefits) to organized crime figures. Since the disappearance of former Teamster boss, JAMES R. HOFFA, on 7/30/75, there has been extensive media coverage of Teamster related activities and financial dealings resulting in growing dissatisfaction on the part of the rank and file membership (as reflected in the attached news article entitled, "Teamster Dissent: Heat Grows Hotter"). Conceivably, these dissident members may be in a position to furnish valuable information regarding criminal violations involving the Teamster leadership or known connections to organized crime.

The news article referred to above describes a dissident organization known as "Teamsters for a Democratic Union" (TDU), which has had recent success in ousting established union officials. Green Bay, Wisconsin was specifically mentioned in the article as all four TDU candidates won a recent election. It is noted that Teamster Local 75 is located at 1546 Main St., Green Bay, Wis. It is anticipated [REDACTED]

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JWF:sbl
(3)

[Handwritten signature]

[REDACTED]

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92-171-214

MI 92-171

LEADS

MILWAUKEE DIVISION

At Green Bay, Wis.

Will identify and thereafter interview [redacted]
[redacted] concerning any available information
regarding criminal violations or organized crime connections
involving former Teamster officials at Green Bay or present
or former Teamster officials in any other location.

Will attempt to obtain the names of any individuals in the
Milwaukee area believed knowledgeable in regards to Teamster
affairs willing to discuss same with the FBI, and thereafter
furnish Milwaukee with this information.

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UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-171) (P)
ATTN: SA [REDACTED]

DATE: 2/2/79

FROM : SA [REDACTED]

SUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
(LOCAL 200), MILWAUKEE, WISCONSIN
AR (A)
OO: MILWAUKEE

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Re memo of SA [REDACTED] at Milwaukee,
1/29/79.

The following investigation was conducted by
SA [REDACTED]

At Green Bay (Brown County), Wisconsin

On 2/1/79, a check of the current city directory
for Green Bay, Wisconsin, lists, "Teamsters Local Union No. 75,
1546 Main Street. telephone 435-8895: [REDACTED]"

A check
of the 1975, 1973 and 1971 city directories for Green Bay
reflected the same information concerning Teamsters Local
No. 75 with exception of the [REDACTED] being
listed as [REDACTED] for the respective years of
1971, 1973 and 1975.

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On 2/1/79, [REDACTED] (Protect by
Request) [REDACTED]

[REDACTED] Green Bay
was contacted. [REDACTED] who has furnished reliable
information in the past, stated that the current officers
for the Teamsters Local Union No. 75, Green Bay, Wisconsin
include [REDACTED]

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[REDACTED] stated he would deter-
mine the identities of the president and vice president
of Local 75 and would advise at a subsequent time.

[REDACTED] also volunteered, "The Local Teamsters Union
No. 75 had a shake up in elected officers." He further

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③ Milwaukee
NLG:hah
(3) [REDACTED]



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

92-171-215

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FEB 2 1979	

[REDACTED]

MI 92-171

stated "they have a dissident group known as the TDU and the TDU got their people elected in the last election." He explained that there was "the antiFITZSIMMONS (FRANK FITZSIMMONS, International President, Teamsters Union) group which involves the wife of a truck driver for Schneider Transport which has its headquarters in Green Bay, Wisconsin." He stated as a result there are probably 2,000 Schneider drivers who support the Schneider driver's wife in the TDU movement and this also counted for the TDU drivers being elected to the Teamsters Local Union No. 75 in lieu of former officers. He stated one of the former teamsters officials in Green Bay is now [REDACTED]

[REDACTED]
Green Bay. He stated that it seemed that the former truck drivers are out as officers of Local No. 75 and the Teamsters who are affiliated with grocery store chains and warehouses in addition to being affiliated with TDU are now in control of Teamsters Local Union No. 75.

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[REDACTED] also stated the local union has a tendency to be "a little dumb" compared to the big union element of cities like Chicago, Detroit, Minneapolis and Milwaukee where the Teamsters Local Unions "put the arm on trucking firms concerning wages, working conditions, etc." He further explained that he meant this was applicable to negotiations for benefits and not for criminal activities.

Investigation Green Bay continuing.

LEADS

MILWAUKEE

AT GREEN BAY, WISCONSIN

1. Will acquire the identities of the current president and vice president of Teamsters Local Union No. 75, Green Bay from [REDACTED]

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2. [REDACTED]
[REDACTED]

SAC, MILWAUKEE (92-171) (P)

2/5/79

ATTN: SA [REDACTED]

SA [REDACTED]

CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
(LOCAL 200) MILWAUKEE, WISCONSIN
AR (A)
OO: MILWAUKEE

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Re memo of SA [REDACTED] 2/2/79.

For information, on 2/2/79, [REDACTED]

[REDACTED] telephonically advised
SA DENNIS R. JOHNSON of the following:

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Green Bay Teamsters Union Local 75 has the
following elected officials:

[REDACTED] President
- Vice President
- Secretary-Treasurer
- Recording Secretary

LEAD

MILWAUKEE

AT GREEN BAY (BROWN COUNTY), WISCONSIN. Continue
investigation as set forth in referenced memo.

③- Milwaukee
NLG:hah
(3) *hah*

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92-~~171~~ 715

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JKEE	

you check and lead

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(Mount Clipping in Space Below)

News in Brief

From Sentinel Wire Services

Meany rips Teamsters on subpoena

Bal Harbour, Fla. — AFL-CIO President George Meany said the Teamsters "ought to be ashamed of themselves" for trying to subpoena the notes of a reporter in connection with a suit filed by a Teamster dissident. The Teamsters issued a subpoena Feb. 8 to obtain information about an article written last June by a correspondent for U.S. News & World Report magazine. Meany issued a strong defense of a free press and declared that "I hope the Teamsters lose."

(Indicate page, name of newspaper, city and state.)

THE MILWAUKEE
SENTINEL

Date: 2/26/79
Edition:

Title:

Character:
or
Classification:
Submitting Office:

92-171-217

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 23 1979	
FBI - MILWAUKEE	

FBI/DOJ

Memorandum

TO : SAC, MILWAUKEE (92-171) (P)

DATE: 3/21/79

ATTN: SA [REDACTED]

FROM : SA [REDACTED]

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SUBJECT: CRIMINAL INFLUENCE IN
INTERNATIONAL BROTHERHOOD OF
TEAMSTERS (LOCAL #200),
MILWAUKEE, WISCONSIN
AR (A)
OO: MILWAUKEE

Re memo of SA [REDACTED] at Milwaukee,
dated 2/2/79.

For information, [REDACTED]
[REDACTED] Green Bay,
was interviewed at the [REDACTED]
[REDACTED] Green Bay, on 3/19/79. The results of
interview are set forth on FD-302.

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Also for information, [REDACTED] incidental to the
interview stated that his associates in [REDACTED]
[REDACTED]
[REDACTED] respectively, and [REDACTED]
[REDACTED], would
have essentially the same information which he had furnished
to SA [REDACTED]. Therefore, [REDACTED] are
not being interviewed as these interviews would be repetitious
and counterproductive.

UAC by case Agent, no further interviews being
conducted at Green Bay, Wisconsin.

② Milwaukee
NLG:hah
(2) *hah*



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

92-171-218

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 22 1979	
FBI - MILWAUKEE	

[REDACTED]

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FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 3/21/79

[redacted]
[redacted] was interviewed at his office, [redacted]
[redacted] Green Bay, Wisconsin.

[redacted] was advised of the nature of the inquiry.

[redacted] stated that during 1978 various members of Local #75 Teamsters Union in Green Bay felt that they were not being properly represented by the executive officers, the president, the vice president, the secretary/treasurer, and the recording secretary. He stated therefore [redacted]

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[redacted] decided to run for the Local's offices. He stated that the Teamsters' constitution permits this and therefore it seemed the logical thing to do.

[redacted] stated that rather than [redacted]

[redacted] He stated the TDU slate was just a vehicle to run in the Local #75 election. He stated as a result of the election [redacted] defeated the incumbent president, [redacted] defeated the incumbent [redacted] defeated the incumbent [redacted] but the previous [redacted] who was an incumbent, was reelected.

[redacted] was queried as to the association of Local #75 Teamsters with other Teamsters local unions in Wisconsin and in the United States. He stated that every local, which includes approximately 15 in the State of Wisconsin, is an independent group which operates separate from any other local union. He stated that Local #75 now has six full time workers who work on behalf of Local #75 to service the needs of the local's membership. He said in previous years local members felt that they were not being serviced adequately by the duly elected

Investigation on 3/19/79 at Green Bay, Wisconsin

File # MI 92-171-219

by SA [redacted] hah

Date dictated 3/20/79

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officers. He stated that approximately three years ago certain members of the union became disenchanted with the former

[redacted]
[redacted]
[redacted] was asked the significance of the TDU with the local operation of Local #75. He stated that in various newspapers and periodicals the TDU is described as a dissident group, however, on the local level in the Green Bay and surrounding area this is not true. He stated that the persons who [redacted] could be considered dissident only in that they oppose the previous incumbent officers. He stated Local #75 is responsible for teamsters which include drivers, warehousemen and meat-packing employees in the Wisconsin counties of Brown, Door, Kewaunee, Shawano, and Menominee.

[redacted] was asked to what he attributed [redacted] b6
[redacted] He stated that generally it b7C
[redacted] was because the membership which exceeded 3,300 in number, b7D
were dissatisfied with their previous representation. He also stated that there was much support from the large number of drivers employed by Schneider Transport, Inc., of Green Bay. He stated this firm operates in excess of 2,000 semi trucks across the United States and a large portion of drivers for this corporation supported the TDU slate. He further stated that a female [redacted] had been running on the national TDU slate to become a national director of the Teamsters International Union but had not been elected. Further, [redacted] is a driver for Schneider Transport, Green Bay.

[redacted] stated that they have no problems in Green Bay and compared to other areas of the country things are routinely quiet in the Green Bay and surrounding area so far as teamsters matters are concerned.

[redacted] was asked if he had any information concerning possible criminal violations or organized crime connections involving former or present teamsters officials in Green Bay. He stated that to his knowledge they were regular, honest members of Teamsters Local #75 and had never been involved with illegal activities nor did they have organized crime connections. He stated their former officials had been in office for numerous years, had obviously become implacable and therefore caused dissatisfaction among the some 3,300 members of Local #75 which resulted in their being defeated for reelection.

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[redacted] was asked the identities of any of his acquaintances or counterparts in the Teamsters Local #200, Milwaukee, Wisconsin, and he stated he had limited contact with Local #200 in that it was a separate organization and operated under its own constitution. He further explained that his only possible knowledge of irregular activities were concerning news accounts that he had read in newspapers and magazines. He stated he had read in various Chicago newspapers about the central states pension fund operating with questionable investing practices. He stated that from his limited knowledge it appeared that the U. S. Government had attempted to prosecute various persons associated with the central states pension fund but subsequently the U. S. District Judge in Chicago had dismissed the case because of a lack of evidence or for some unknown reason. He further stated that [redacted]

[redacted] was connected to the other local unions in Wisconsin such as the ones in Milwaukee and Madison, only for the purpose of [redacted]

[redacted] was asked about any knowledge he may have concerning various "sweetheart contracts" or possible misuse of pension funds and benefits in the Green Bay or Wisconsin area and he stated "possibly in a period of time like 1960 to 1965 there was some irregular activities that took place, however, because the government came in and established so

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many rules and regulations pertaining to documentation, this is no longer possible." He stated that the various government inquiries had caused more accounting and responsibility for the various pension funds and various fringe benefits. He stated that in general the Teamsters had been given "bad publicity which in many instances was unnecessary." He further stated, "Our objective locally in Local #75 Teamsters Union is to be honest and forthright and to call a spade a spade." He stated he had had [REDACTED]

[REDACTED] was that his scope of knowledge was with Local #75 in the Green Bay and surrounding area and because of his limited scope he had no way of knowing what was happening in surrounding states. He stated he did not know the people involved with the various strike actions and therefore [REDACTED] he had no knowledge. He stated in certain instances [REDACTED] would indicate he did not comment on matters and therefore seemed uncooperative.

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[REDACTED] was asked if [REDACTED] [REDACTED] would be knowledgeable concerning possible irregular activities locally and statewide and he stated, [REDACTED] would not know anything concerning activities beyond the Green Bay Local #75." He explained that [REDACTED] was on a business trip concerning union matters and was a [REDACTED] [REDACTED] of Local #75 was in Washington, D.C. at the International Teamsters Headquarters [REDACTED] [REDACTED] a national contract which is scheduled for negotiations with the transportation industry in April, 1979.

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[REDACTED] concluded by saying that should any criminal activities surface in Local #75 [REDACTED] [REDACTED] he would recommend that a straightforward presentation

be made to the proper federal or state agency. He also reiterated that [REDACTED] was [REDACTED] of Local #75 and to continue the situation of "having no problems arise in this area."

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FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 6
Page 49 ~ Referral/Consult
Page 82 ~ Duplicate
Page 112 ~ Duplicate
Page 113 ~ Duplicate
Page 114 ~ Duplicate
Page 115 ~ Duplicate